

BILL ANALYSIS

Senate Research Center
89R17060 LRM-D

C.S.S.B. 1263
By: Alvarado
Health & Human Services
4/30/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The proposed legislation aims to clarify the safe disposal of prescription drugs program established by S.B. 2173, which passed during the 88th Regular Session. Initially, the Texas State Board of Pharmacy (TSBP) was designated to oversee the program, but the agency has since indicated that it lacks the program and contracts expertise to manage it effectively. That bill was also unfunded. This updated bill will address these issues by transferring the program to the Department of State Health Service (DSHS) and making small changes to statute to streamline program administration.

Bill Provisions:

S.B. 1263 amends Section 2004.002, Health and Safety Code, to:

- define "collection receptacle" as authorized collectors who may manage collection receptacles for disposing of controlled substances;
- define "department" to mean DSHS;
- strike out "not subject of state or federal opioid litigation" in order to simplify and expand eligibility of the program; and
- strike out the section referencing mail-back envelopes to keep the focus on collection receptacles.

Fiscal Note: Senate Contingency Rider - \$8.4 million for the biennium.

Committee Substitute:

The committee substitute clarifies that DSHS may contract with a DEA-registered reverse distributor to install kiosks, collect unused prescription drugs, and ensure incineration. It also removes the cap on the number of chain retail pharmacies that may participate in the program.

As proposed, S.B. 1263 amends current law relating to a pilot program for the safe disposal of prescription drugs, including controlled substance prescription drugs.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas State Board of Pharmacy is transferred to the executive commissioner of the Health and Human Services Commission and modified in SECTION 2 (Section 442A.002, Health and Safety Code) of this bill.

Rulemaking authority previously granted to the Texas State Board of Pharmacy is rescinded in SECTION 4 (Section 442A.052) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 442A.001, Health and Safety Code, as follows:

Sec. 442A.001. DEFINITIONS. Defines "collection receptacle," "commission," and "department." Deletes existing text defining "board."

SECTION 2. Amends Section 442A.002, Health and Safety Code, to require the executive commissioner of the Health and Human Services Commission (executive commissioner), rather than the Texas State Board of Pharmacy (TSBP), by rule to develop and implement a

prescription drug safe disposal pilot program administered by the Department of State Health Services (DSHS) to increase the number of collection receptacles, rather than locations, in this state where unused, unwanted, or expired prescription drugs are collected from the public for safe disposal.

SECTION 3. Amends Section 442A.051, Health and Safety Code, as follows:

Sec. 442A.051. PHARMACY ELIGIBILITY. Authorizes a pharmacy operating in this state to apply to DSHS to participate in the pilot program if the pharmacy:

(1) is eligible to register, rather than is registered, as an authorized drug collection site with the United States Drug Enforcement Administration; and

(2) meets the eligibility requirements established by 21 C.F.R. Section 1317.40, rather than by 21 C.F.R. Section 1317.40 and TSBP rules.

Deletes existing text authorizing a pharmacy operating in this state to apply to TSBP to participate in the pilot program if the pharmacy is not the subject of state or federal opioid litigation. Makes conforming and nonsubstantive changes.

SECTION 4. Amends Section 442A.052, Health and Safety Code, as follows:

Sec. 442A.052. APPLICATION AND SELECTION PROCESSES. (a) Requires DSHS to prescribe the form and manner for a pharmacy to apply for participation in the pilot program. Requires DSHS to give priority for participation in the pilot program to a pharmacy applicant that meets certain criteria. Deletes existing text requiring TSBP to adopt rules prescribing the form and manner for a pharmacy to apply for participation in the pilot program and evaluation and selection criteria and processes. Makes conforming and nonsubstantive changes.

(b) Redesignates existing Subsection (c) as Subsection (b). Authorizes a pharmacy that operates multiple locations to submit one application to apply for the program for all of the locations, provided the application contains information specific to each location, including the physical address, phone number, location name, and pharmacy manager's name. Provides that each location is separately evaluated for prioritization under Subsection (a). Deletes existing text requiring a pharmacy that operates multiple locations to submit an application for each location.

SECTION 5. Amends Section 442A.053(b), Health and Safety Code, to authorize controlled substance prescription drugs, noncontrolled substance prescription drugs, and over-the-counter drugs to be collected together and comingled and to make a nonsubstantive change.

SECTION 6. Amends Section 442A.055, Health and Safety Code, to delete existing text providing that a participating pharmacy is responsible for the daily management and recordkeeping of the pharmacy's prescription drug safe disposal program in accordance with TSBP rules.

SECTION 7. Amends the heading to Subchapter C, Chapter 442A, Health and Safety Code, to read as follows:

SUBCHAPTER C. DEPARTMENT DUTIES

SECTION 8. Amends Sections 442A.101(a) and (b), Health and Safety Code, as follows:

(a) Requires DSHS to assist each pharmacy participating in the pilot program, including by paying:

(1) the costs of maintaining one collection receptacle at each participating pharmacy location and destroying through incineration of the receptacle's full

inner liner containing the prescription drugs collected, rather than deposited, in the receptacle; and

(2) a one-time fee to offset the initial costs of program participation.

Deletes existing text requiring TSBP to assist each pharmacy participating in the pilot program by paying the costs of ordering and distributing pre-addressed, return postage paid mail-back envelopes from a third-party mail-back program and destroying through incineration the returned mail-back envelopes containing the collected prescription drugs and the costs of other operational needs TSBP determines appropriate.

(b) Authorizes DSHS to contract with a reverse distributor registered with the United States Drug Enforcement Administration to install the collection receptacles at participating pharmacy locations and to treat at an incineration facility registered with the United States Drug Enforcement Administration the drugs collected in the receptacles. Deletes existing text providing that TSBP is required to directly reimburse a participating pharmacy for costs the pharmacy incurs under Subsection (a) and is prohibited from reimbursing a participating pharmacy for the cost of using a third-party incineration facility unless the facility is appropriately registered with the United States Drug Enforcement Administration.

SECTION 9. Amends Section 442A.102, Health and Safety Code, as follows:

Sec. 442A.102. COMMUNITY OUTREACH. (a) Requires DSHS to:

- (1) makes no changes to this subdivision;
- (2) makes conforming and nonsubstantive changes to this subdivision;
- (3) provide the educational outreach materials to other state agencies, including TSBP, for those agencies to conduct the community outreach; and
- (4) create education materials for voluntary use by a participating pharmacy.

Makes a conforming change to this subsection.

(b) Makes a conforming change to this subsection.

SECTION 10. Amends Section 442A.103, Health and Safety Code, as follows:

Sec. 442A.103. REPORT. Requires DSHS, not later than December 1 of each even-numbered year, to submit to the governor and the legislature a report that:

- (1) summarizes certain results of the pilot program, including the cost of the pilot program; and
- (2) makes a conforming change to this subdivision.

Deletes existing text requiring TSBP to submit to the governor and the legislature a report that summarizes certain results of the pilot program, including the estimated amount of prescription drugs collected by participating pharmacies under the program, measured by the number of mail-back envelopes distributed by the pharmacies and the weight, measured in pounds, of the returned mail-back envelopes filled with collected prescription drugs, and the amount of money distributed under the pilot program. Makes conforming and nonsubstantive changes.

SECTION 11. Amends Section 442A.151, Health and Safety Code, to require, rather than authorize, that money contained in the opioid abatement account established under Section

403.505 (Opioid Abatement Account), Government Code, rather than Section 403.505, Government code, as added by Chapter 781 (S.B. 1827), Acts of the 87th Legislature, Regular Session, 2021, be appropriated to DSHS to fund the pilot program established under this chapter and to make conforming changes.

SECTION 12. Repealer: Section 442A.056 (Texas Premier Pharmacy Designation), Health and Safety Code.

Repealer: Section 442A.101(c) (relating to authorizing TSBP to provide financial incentives to a pharmacy to continue providing prescription drug collection services or expand those services to accommodate controlled substance prescriptions), Health and Safety Code.

SECTION 13. Requires the executive commissioner, as soon as practicable after the effective date of this Act, to adopt rules to allow DSHS to implement the prescription drug safe disposal program developed under Chapter 442A, Health and Safety Code, as required by this Act.

SECTION 14. Effective date: September 1, 2025.