GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2007

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SENATE DRS85019-LN-8A (11/15)

Short Title:	Prevent Prescription Drug Fraud.	(Public)
Sponsors:	Senator Berger of Franklin.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO REQUIRE HEALTH CARE PROVIDERS AUTHORIZED TO WRITE PRESCRIPTIONS FOR CERTAIN CONTROLLED SUBSTANCES TO USE A STATE-PROVIDED SECURE PRESCRIPTION PAD, TO REQUIRE PHARMACISTS TO FILL ONLY THOSE PRESCRIPTIONS WRITTEN ON STATE-PROVIDED SECURE PRESCRIPTION PADS, AND TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE PURCHASE OF SOFTWARE AND SERVICES TO IMPLEMENT THIS ACT.

Whereas, recent estimates by the Kaiser Family Foundation, the National Healthcare Antifraud Association, and the Federal Bureau of Investigation (FBI) indicate that North Carolina experiences between $13,078,800 and $43,596,000 per year in prescription drug fraud; and

Whereas, New York and other states have recently implemented document security programs as part of their efforts to reduce substantially prescription drug fraud; and

Whereas, it is estimated that the savings resulting from the reduction in prescription drug fraud will more than pay for the cost of implementing the document security program within a reasonable period of time following initial implementation; and

Whereas, the General Assembly enacted the Controlled Substances Reporting Act to address overuse and misuse of certain controlled substances; and

Whereas, the use of secure documents is a way to reduce substantially the forging and counterfeiting of prescriptions for controlled substances; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) Effective January 1, 2008, Article 5 of Chapter 90 of the General Statutes is amended by adding the following new section to read:

"**§ 90-106.1. Certain controlled substances prescribed only on State-certified prescription pads.**

All prescriptions written for a Schedule II through V controlled substance must be written by the practitioner only on a prescription pad or form certified by and provided through the Department of Health and Human Services to the practitioner. Pharmacists and other authorized dispensers of Schedule II through V controlled substances shall not dispense a Schedule II through V controlled substance unless the prescription is written on a State-certified prescription pad or form."

SECTION 1.(b) Effective January 1, 2008, G.S. 90-106 reads as rewritten:

"**§ 90-106. Prescriptions and labeling.**

(a) Except when dispensed directly by a practitioner, other than a pharmacist, to an ultimate user, no controlled substance included in Schedule II of this Article may be dispensed without the written prescription of a ~~practitioner.~~practitioner on a prescription pad or form certified by the Department of Health and Human Services.

(b) In emergency situations, as defined by rule of the Commission, Schedule II drugs may be dispensed upon oral prescription of a practitioner, reduced promptly to writing on a prescription pad or form certified by the Department of Health and Human Services and filed by the dispensing agent. Prescriptions shall be retained in conformity with the requirements of G.S. 90-104. No prescription for a Schedule II substance may be refilled.

(c) Except when dispensed directly by a practitioner, other than a pharmacist, to an ultimate user, no controlled substance included in ~~Schedules~~ Schedule III or IV, except paregoric, U.S.P., as provided in G.S. 90-91(e)1, may be dispensed without a prescription written on a prescription pad or form certified by the Department of Health and Human Services, and oral prescriptions shall be promptly reduced to writing on a prescription pad or form certified by the Department of Health and Human Services and filed with the dispensing agent. Such prescription may not be filled or refilled more than six months after the date thereof or be refilled more than five times after the date of the prescription.

(d) No controlled substance included in Schedule V of this Article or paregoric, U.S.P., may be distributed or dispensed other than for a medical purpose.

(e) No controlled substance included in Schedule VI of this Article may be distributed or dispensed other than for scientific or research purposes by persons registered under, or permitted by, this Article to engage in scientific or research projects.

(f) No controlled substance shall be dispensed or distributed in this State unless such substance shall be in a container clearly labeled in accord with regulations lawfully adopted and published by the federal government or the Commission.

(g) When a copy of a prescription for a controlled substance under this Article is given as required by G.S. 90-70, such copy shall be plainly marked: "Copy – for information only." Copies of prescriptions for controlled substances shall not be filled or refilled.

(h) A pharmacist dispensing a controlled substance under this Article shall enter the date of dispensing and shall write his own signature on the face of the prescription pursuant to which such controlled substance was dispensed.

(i) A manufacturer's sales representative may distribute a controlled substance as a complimentary sample only upon the written request of a practitioner. Such request must be made on each distribution and must contain the names and addresses of the supplier and the requester and the name and quantity of the specific controlled substance requested. The manufacturer shall maintain a record of each such request for a period of two years."

SECTION 2.(a) The Department of Health and Human Services shall contract with a vendor to develop and implement a document security program to address and prevent prescription drug fraud in this State. This program shall be operated as part of the North Carolina Controlled Substances Reporting Act and shall require that prescriptions for Schedules II-V controlled substances be written only on State certified prescription drug forms, thereby preventing the development and use of counterfeit prescription forms to obtain controlled substances fraudulently.

SECTION 2.(b) The Department of Health and Human Services, in consultation with the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, may adopt rules to implement this act.

SECTION 2.(c) There is appropriated from the General Fund to the Department of Health and Human Services the sum of five million dollars ($5,000,000) for the 2007-2008 fiscal year and the sum of five million dollars ($5,000,000) for the 2008-2009 fiscal year. These funds shall be used to purchase and implement a document security program to prevent the counterfeiting of prescriptions for certain controlled substances as provided in subsection (a) of this section and to administer the program. In developing the program, the Department shall ensure that document security prescription pads or forms are provided without charge to practitioners authorized to write prescriptions for Schedules II-V controlled substances. The Department shall also ensure that the vendor collects and submits only that data that contains information on provider usage of the State forms and no data pertaining to patient identification, health status, or prescription particulars.

SECTION 3. Section 1 of this act becomes effective January 1, 2008. The remainder of this act becomes effective July 1, 2007.