

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 1400**

STATE OF NEW JERSEY

DATED: JUNE 24, 1996

The Senate Budget and Appropriations Committee reports favorably the Senate Committee Substitute for Senate Bill No. 1400.

The Senate Committee Substitute for Senate Bill No. 1400 requires all prescriptions written in the State by licensed prescribers and licensed health care facilities to be issued on a uniform prescription blank, known as a "New Jersey Prescription Blank." The New Jersey Prescription Blank will be printed on non-reproducible, non-erasable safety paper, issued in a serialized, bound fashion and subject to stringent security controls. To insure uniformity, the format for the new prescription blanks will be approved by the Division of Consumer Affairs in the Department of Law and Public Safety. The division will also designate the vendors that have been approved to produce New Jersey Prescription Blanks.

The substitute also requires all prescribers and health care facilities to maintain a record of their prescription blanks and to report the theft of any blanks to the Office of Drug Control within 72 hours after the theft.

The substitute makes theft or forgery of a New Jersey Prescription Blank a crime of the third degree.

Finally, the substitute requires the Department of Human Services, in conjunction with the Department of Health, to submit certain reports to the Legislature.

The purpose of this substitute is to reduce the ease with which prescription drug forgery is accomplished and to deter drug abuse. The enactment of this substitute may result in savings to the State, as well as to commercial insurers who provide prescription drug benefits.

As reported, this committee substitute is identical to the Assembly Committee Substitute for Assembly, No. 31 of 1996 (Murphy).

FISCAL IMPACT:

The Department of the Treasury estimates that this substitute will save the State approximately \$1.5 million annually by reducing fraud in the Medicaid, Pharmaceutical Assistance to the Aged and Disabled, and general public assistance programs.