



April 1, 2020

The Honorable Steve Glazer
Chair, Senate Business, Professions & Economic Development Committee
State Capitol, Room 5108
Sacramento, CA 95814

Re: **SB 1084 (Umberg) Prescription drugs: lockable vials - OPPOSE**

Dear Chairman Glazer,

The California Retailers Association (CRA) and the National Association of Chain Drug Stores (NACDS) write to regretfully register our opposition to SB 1084 by Senator Tom Umberg, which will require pharmacies to dispense Schedule II prescription drugs in lockable vials.

The chain pharmacy community is strongly committed to combatting the opioid epidemic plaguing the communities we serve. We support enactment of workable policy solutions for prevention of misuse and abuse of prescription opioids. However, we are concerned that while well-intended, the lockable vial requirement outlined in SB 1084 would not serve this purpose.

Requiring pharmacies to dispense Schedule II prescription drugs in lockable vials will do little to prevent theft and abuse of these controlled substances and will create significant pharmacy workflow challenges. The bill requires pharmacies to stock the lockable vials and maintain patients' combination codes for a locking-cap closure mechanism provided on a lockable vial. Pharmacies do not have the systems in place to keep track of patients' passcodes, and it would be impractical to add this functionality to pharmacy records systems.

Further, the bill will result in increased costs, for both pharmacies and patients. Although SB 1084 would require manufacturers to reimburse pharmacies for lockable vials, pharmacies would have to seek reimbursement on a regular basis. This new requirement will take time away from patient care and force many pharmacies to frontload costs while waiting for reimbursement. In addition, the increased costs associated with the lockable vials will ultimately flow down to consumers, rising the prices of already-costly prescription drugs.

Patients who are concerned about prescription drug pilfering already have the ability to purchase lockable vials where available. CRA and NACDS believe this is an appropriate option for consumers and should remain voluntary rather than a pharmacy mandate. Although we are opposed to SB 1084, we remain committed to working with the author and other policymakers on effective solutions to the opioid epidemic.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 400,000 retail establishments with a gross domestic product of \$330 billion annually and employs over 3 million people—one fourth of California's total employment.

NACDS represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate nearly 40,000 pharmacies, and NACDS' 80 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 155,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 900 supplier partners and over 70 international members representing 21 countries. Please visit nacds.org.

For the reasons listed above, we must oppose SB 1084. Please do not hesitate to contact Jennifer Snyder or Lindsay Gullahorn with Capitol Advocacy at (916) 444-0400 if you have any questions.

Sincerely,



Rachel Michelin
President
California Retailers Association



Steve C. Anderson, IOM, CAE
President & Chief Executive Officer
National Association of Chain Drug Stores

cc: The Honorable Tom Umberg, Author
Members, Senate Business, Professions & Economic Development Committee