

## **S.F. No. 1227 – Medical Gas Licensure, Opiate Registration Fee Exemptions, and Opiate Epidemic Response Advisory Council Modifications**

**Author:** Senator Mark W. Koran

**Prepared by:** Katie Cavanor, Senate Counsel (651/296-3801)

**Date:** March 18, 2021

---

**S.F. 1227** makes several changes to the licensure requirements and fees for medical gas distributors, wholesalers, and dispensers. It also exempts certain opiate manufacturers from the opiate registration fee. It also clarifies the opiate epidemic response advisory council's role in awarding the grants from the opiate response fund.

**Section 1 (16A.151, subdivision 2)** specifies that any money received from any settlement agreement resulting from litigation brought by the state against a consulting firm working for an opioid manufacturer or wholesaler must be deposited in the separate account created. The commissioner of management and budget is required to annually transfer an amount equal to the estimated revenue loss to the opiate response fund due to the exemptions described in sections 9 and 14.

**Sections 2 to 5 and Section 10** create a separate license for medical gas manufacturers, wholesale distributors, and dispensers.

**Section 2 (151.01, subd. 29)** modifies the definition of medical gas.

**Section 3 (151.01, subd. 29a)** defines medical gas manufacturer.

**Section 4 (151.01, subd. 29b)** defines medical gas wholesaler.

**Section 5 (151.01, subd. 29c)** defines medical gas dispenser.

**Section 6 (151.065, subd. 1)** reduces the application license fee for medical gas manufacturers and wholesalers from \$5,260 for the first facility to \$260.

**Section 7 (151.065, subd. 3)** reduces the renewal license fee for medical gas manufacturers and wholesalers from \$5260 for the first facility to \$260.

**Section 8 (151.065, subd. 7)** makes a change in the amount of fees deposited pursuant to this subdivision to coordinate with the change in the license fees for medical gas manufacturers and wholesalers.

**Section 9 (151.066, subd. 3)** creates an exemption for opiate units that are sold, distributed, or delivered into the state that are used for medication assisted therapy for substance use disorders. Specifies that the board of pharmacy must not consider these opiates when assessing the opiate registration fee and determining which manufacturers met the unit threshold and are assessed the \$250,000 opiate registration fee. Requires the board to submit to the commissioner of management and budget an estimate of the difference in the annual revenue collected under the registration fee due to this exemption.

**Section 10 (151.191)** establishes separate licenses for medical gas manufacturers, medical gas wholesalers, and medical gas dispensers.

**Section 11 (256.042, subd. 4)** clarifies that the report due to the legislature from the opiate epidemic advisory council on March 1 must outline the priorities and activities that the council intends on focusing on for the upcoming fiscal year based on the projected funds available for grant distribution. This section also clarifies that the advisory council determines the grant awards and the funding amounts and the commissioner of human services awards and administers the grants.

**Section 12 (256.043, subd. 4)** clarifies that any settlement amount received by the state from litigation against a consulting firm working for an opioid manufacturer or wholesaler shall be counted towards the total sum required to be reached under this subdivision to trigger a reduction in licensure fees and the elimination of the opiate registration fee.

**Section 13 [Opiate epidemic response advisory council; initial term limits]** establishes the term limits for the initial members of the advisory council.

**Section 14 [Opiate registration fee reduction]** creates for calendar year 2020 and the opiate registration fee due on June 1, 2021 an exemption for any opiate injectable that is distributed to a hospital or hospital pharmacy requiring the board of pharmacy not to consider these opiates when assessing the opiate registration fee and determining which manufacturers meet the unit threshold for assessing the opiate registration fee. Requires the board to submit to the commissioner of management and budget an estimate of the difference in the fee revenue to be collected due to this exception and specifies that the amount of any difference must be included in any transfer made in calendar year 2021 from the separate account to the opiate epidemic response fund.

**Section 15** repeals section 151.19, subdivision 3 (sale of federally restricted medical gases).