



## State Senator Sheila Harsdorf

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Date: October 17, 2017  
To: Senate Committee on Health and Human Services  
From: State Senator Sheila Harsdorf  
RE: Senate Bill 237/Assembly Bill 306

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Dear Chair Vukmir and Committee Members:

Thank you for holding a public hearing on Senate Bill 237 which would implement the National Precursor Log Exchange (NPLEx) program in Wisconsin.

In the early 2000's, northwest Wisconsin saw a huge epidemic of methamphetamine labs. In an effort to provide law enforcement and prosecutors the tools they needed to shut down the meth labs, Wisconsin followed Oklahoma's lead and passed legislation in 2005 that restricts access to cold medicines containing pseudoephedrine, which is a key ingredient in manufacturing meth. The bill which I authored in 2005 limits the quantity of pseudoephedrine products that can be purchased and implemented reporting requirements for pharmacies and retailers.

Currently, those selling cold medicines containing pseudoephedrine must record the name and address of the purchaser and the quantity sold in either paper or electronic format. Purchasers must also provide a valid photo identification card and signature when making their purchase. Generally a pharmacy keeps a written log book of this information. Under SB 237 this information would be recorded electronically in the National Precursor Log Exchange (NPLEx) providing greater ease for pharmacists and greater access to the records for law enforcement.

This legislation continues our efforts in combating drug abuse in Wisconsin and will help provide law enforcement with real-time reporting by pharmacies and retailers to the NPLEx. SB 237 is supported by the Attorney General.

NPLEx would be fully funded by the pseudoephedrine companies so no costs will be incurred by pharmacies, retailers or the state. By passing SB 237, Wisconsin will join 33 other states in using this electronic reporting system.

I urge your support and prompt action of this legislation in order to provide another tool in our fight against drug abuse in Wisconsin. Thank you for your consideration.



# CODY HORLACHER

STATE REPRESENTATIVE • 33<sup>RD</sup> ASSEMBLY DISTRICT

(608) 266-5715  
Toll-Free: (888) 529-0033  
Rep.Horlacher@legis.wi.gov

P.O. Box 8952  
Madison, WI 53708-8952

November 17<sup>th</sup>, 2017

Chairman Vukmir and Health and Human Services Committee Members,

Thank you for holding a Public Hearing on AB 306/SB 237 related to tracking the sale of pseudoephedrine products.

This bill requires the implementation of the National Precursor Log Exchange (NPLEx) program in the State of Wisconsin. NPLEx is a real-time electronic logging and compliance system that tracks the sale of over-the-counter (OTC) cold and allergy medications containing pseudoephedrine (PSE), precursors to the illegal drug, methamphetamine.

AB 306/SB 237 is one piece of the fight against meth use in Wisconsin and would allow Wisconsin to join 33 other states in combatting the rise of methamphetamine use. By utilizing this multi-state technology law enforcement can better assess the patterns and trends related to the production of domestic meth. This information is a vital resource to local, state, and federal law enforcement.

This bill does not make any changes to the requirements related to the purchase of pseudoephedrine products. This simply allows for this information to be gathered electronically and for that electronic information to be shared with law enforcement. There are no changes to the amounts dispensed or the procedure involved for both the purchaser and the seller. Current law remains in place and pharmacies providing these medicines are able to continue their business with little change in their day to day operations.

The amendment to this bill simply clarifies the signature requirements needed by pharmacists and was drafted in consultation with the Pharmacy Society of Wisconsin.

AB 306 as amended passed out of the Assembly with bipartisan support and I am asking for your help to do the same in the Senate.

NPLEx is fully funded by the pseudoephedrine companies that manufacture the OTC medications so that pharmacies and retailers pay nothing to use the system.

Thank you again and I would be happy to answer any questions you may have.



*One Voice. One Vision.*

**DATE:** October 17, 2017  
**TO:** Senator Leah Vukmir, Chairman  
Members, Senate Committee on Health & Human Services  
**FROM:** Danielle Laurent, MPH  
Director, Public Affairs  
Pharmacy Society of Wisconsin  
**SUBJECT:** Assembly Bill 306 / Senate Bill 237

Thank you for the opportunity to testify on Assembly Bill 306 / Senate Bill 237. The Pharmacy Society of Wisconsin is committed to ensuring that pseudoephedrine products are sold and tracked in a safe manner, while also preventing unnecessary burdens on pharmacies to record these purchases.

Under current law, pharmacies must log the sale of pseudoephedrine products either on paper or electronically. This bill would require these sales be logged electronically with the NPLEx program. The process of recording the information with NPLEx is much the same as current system and we do not believe that this program will create additional burdens for pharmacists.

From a patient safety standpoint, the NPLEx system offers a variety of benefits for public health. The NPLEx system shows in real-time if a patient had exceeded the quantity limits on pseudoephedrine and, if so, the pharmacy would not be able to sell the product unless the pharmacist believes there was a "reasonable fear of imminent harm" by not selling the product. Additionally, because the NPLEx system would be used across Wisconsin, and is used in 33 other states, a more complete picture of each patients' purchase of pseudoephedrine products and easier access to data than paper logs exists with the electronic system. Currently, a patient may purchase pseudoephedrine at a pharmacy that uses a paper log, and then purchase pseudoephedrine at another pharmacy shortly thereafter – they may have exceeded the legal limit, but because paper logs were kept by one or both pharmacies that are not shared or easily searchable, the pharmacist was unaware of the sale. NPLEx will provide a more complete picture to ensure patients are not purchasing excessive amounts of pseudoephedrine products.

In general, the Pharmacy Society of Wisconsin supports the implementation of the NPLEx system in Wisconsin, however, we do have one concern with the bill as introduced that was addressed with an amendment in the Assembly. We hope the same amendment will be adopted in the Senate.

In section 2, there is a requirement that the seller or, if the seller is not a registered pharmacist, the pharmacist supervising the seller, must sign the record of the transaction and submit this information to NPLEx. We respectfully request, since this is an electronic system, that the bill state that pharmacies can electronically document the name of the pharmacist as an acceptable method of tracking this information in the NPLEx system. Otherwise, pharmacies will be forced to develop a method of logging an electronic signature, either through the purchase of a signature pad, integration with an existing signature pad, or potentially scanning a signature into the record before the sale can be completed. This could be a costly and potentially technologically impossible mandate, the goal of which -- knowing which pharmacist authorized the sale -- would still be achieved by recording the pharmacist's name.

The Assembly adopted this amendment in committee and before final passage, and we respectfully request the Senate to do the same.

Thank you again for the opportunity to testify on Assembly Bill 306 / Senate Bill 237.



STATE OF WISCONSIN  
DEPARTMENT OF JUSTICE

BRAD D. SCHIMEL  
ATTORNEY GENERAL

Paul W. Connell  
Deputy Attorney General

Delanie M. Breuer  
Chief of Staff

114 East, State Capitol  
P.O. Box 7857  
Madison, WI 53707-7857  
608/266-1221  
TTY 1-800-947-3529

**PREPARED TESTIMONY OF ATTORNEY GENERAL BRAD D. SCHIMEL**

Support for Assembly Bill 306/ Senate Bill 237  
Senate Health and Human Services Committee  
Tuesday, October 17, 2017

Thank you, Chairman Vukmir and members of the Senate Health and Human Services Committee, for allowing me the opportunity to submit written testimony in support of Assembly Bill 306 and Senate Bill 237.

As I detailed during an informational hearing before the Senate Committee on Judiciary and Public Safety and the Assembly Committee on Criminal Justice and Public Safety in February, Mexican drug cartels are the leading cause of methamphetamine (meth) distribution and use in our State. Meth is a commonly available, illegal, and powerfully addictive drug. In addition to Mexican-produced meth, the drug is commonly manufactured illegally in small home-based labs using pseudoephedrine, a common ingredient in over-the-counter allergy and cold medications. Meth is notorious for not only destroying the user, but, also adversely affecting the user's entire family and surrounding community. On many levels, meth has become an increasing danger in Wisconsin, and comes at an ever-increasing cost to *all* its citizens.

According to the first statewide study of meth use in Wisconsin, *2016 Wisconsin Methamphetamine Study*, produced by the FBI and Wisconsin Department of Justice, "...methamphetamine use in Wisconsin likely expanded between 250 and 300 percent..." between 2011 and 2015.

The comprehensive study includes a number of recommendations to combat the growing meth usage rates in Wisconsin. One of those recommendations, directly integrated in Assembly Bill 306/ Senate Bill 237 (AB 306/ SB 237) authored by Representative Horlacher and Senator Harsdorf, is implementing a statewide electronic system to monitor illegal purchases of pseudoephedrine.

Under current Wisconsin law, the per-customer sale of pseudoephedrine is restricted by quantity. Those purchases must also be tracked, at a minimum, via a paper log system. Some larger retailers go beyond that minimum, and use an electronic tracking system. To get around the quantity restrictions and paper

tracking systems, small home-based meth labs, that illegally extract pseudoephedrine from cold or allergy products to manufacture meth, are utilizing a deceptive purchasing process known as “smurfing.”

Smurfing happens when small home-based labs target small gas stations, hardware stores, pharmacies, and other retailers (that use paper log systems) by traveling through a region in our state to purchase maximum volumes of pseudoephedrine. They go store to store, buying up pseudoephedrine, until they have collected enough to illegally manufacture a batch of meth. And while paper log systems are tracking sales as they should, the paper logs are too cumbersome for law enforcement to: 1.) Review for excessive regional sales or smurfing; and 2.) Identify and track those individuals who may be purchasing pseudoephedrine on behalf of small home-based meth labs.

Law enforcement has already identified a more effective tracking tool that allows them to interrupt an illegal sale of pseudoephedrine, anywhere in the nation, in real time. That tracking tool is called the National Precursor Log Exchange (NPLEx) system. NPLEx is available at no cost, when states pass electronic tracking legislation, to state agencies and its users, including pharmacies, retailers, and law enforcement. This bill would require the implementation of NPLEx in Wisconsin. The implementation is at no cost to its citizens; and will effectively reduce illegal pseudoephedrine sales and, as a result, meth production in small home-based labs.

Over the last several years, 67% of states have already implemented the NPLEx system, and have seen undeniable results. Earlier this year, the National Association of Drug Diversion Investigators (NADDI) released the 2016 analysis confirming the impact of NPLEx in the fight against illegal pseudoephedrine sales, significantly deterring the production of meth in small home-based labs. According to that analysis, more than 44,000 U.S. retailers within 33 states use the NPLEx system. Similar legislation was passed in Alabama (2012), Oklahoma (2013), and Tennessee (2014) and they have since experienced significant declines in meth lab seizures. Alabama seizures have dropped 77%, Oklahoma 88%, and Tennessee 69%. (Source: <https://www.naddi.org/naddi-releases-2016-statistics-for-nplex-system/>). NPLEx dramatically reduces the illegal sale of pseudoephedrine, and directly reduces the amount of meth that can be produced in small home-based meth labs.

By adopting this bill, which will implement the no-cost NPLEx system, the Wisconsin Legislature will positively impact our citizens and communities by giving our law enforcement agencies a proven tool to effectively reduce the illegal sales of pseudoephedrine and dry up the small home-based meth labs that feed powerful meth addiction. As other states have already demonstrated, this system works well and expeditiously. I strongly urge you to support AB 306/SB 237 to gain access to the free and effective NPLEx system, so law enforcement can use it to create a safer Wisconsin for *all* of its citizens.