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A Department of the City and County of San Francisco

San Francisco Safe Drug Disposal Stewardship Ordinance Third Biennial Report to the San Francisco Board of Supervisors October 2021

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The San Francisco Board of Supervisors passed the Safe Drug Disposal Stewardship Ordinance in March 2015, with an effective date of April 25, 2015. The Ordinance requires pharmaceutical manufacturers (called “Producers” in the Ordinance) that sell over-the-counter and prescription medicines in San Francisco to provide residents with a free, safe, and convenient way to dispose of their unwanted and expired medicines. Section 2214(c) of the Ordinance requires the Director of the Department of the Environment to report every other year to the Board of Supervisors on the implementation status of the Safe Drug Disposal Stewardship Ordinance and make recommendations on changes needed to the Ordinance. The Department submitted the first and second Biennial Reports to the Board in April 2017 and July 2019, respectively, and submits this third Biennial Report for the period of August 2019 to August 2021, pursuant to Ordinance requirements.

Ordinance Implementation Highlights

- MED-Project and Inmar Intelligence are the Plan Operators of the two approved Stewardship Plans providing residents medicine collection services at no charge in San Francisco. MED-Project's Stewardship Plan was approved in July 2016 and currently operates medicine collection kiosks at 44 locations. Inmar Intelligence's Stewardship Plan was approved in November 2020 and currently operates medicine collection kiosks at two locations.
- The Ordinance establishes a minimum "Convenience Standard" of five medicine collection kiosk locations provided per Supervisorial District. MED-Project is meeting the Convenience Standard in three of 11 Districts. Inmar Intelligence is not meeting the Convenience Standard in any District. See Table 1 for the current medicine collection services available by District.
- Participating collection kiosk locations include CVS Pharmacy, Kaiser Permanente, Lucky Supermarket Pharmacies, North East Medical Services, and numerous independent pharmacies. Although all pharmacies in San Francisco have been offered the opportunity to host a collection kiosk through both MED-Project's and Inmar Intelligence's Stewardship Plan, Costco, California Pacific Medical Center, Safeway, and Walgreens have so far declined. Walgreens operates its own self-funded medicine collection program at eight of their 53 San Francisco locations.



Photo 1. MED-Project collection kiosk
Mission Wellness Pharmacy, 2424 Mission Street



Photo 2. Inmar Intelligence collection kiosk
Lucky Supermarket Pharmacy, 1750 Fulton Street

- The Ordinance requires City-operated pharmacies to participate as medicine collection kiosk locations. Zuckerberg San Francisco General Hospital hosts a kiosk through MED-Project's Stewardship Program. Community Behavioral Health Services previously hosted a MED-Project kiosk and will host a kiosk through Inmar Intelligence's Stewardship Plan in the near future.
- All ten San Francisco Police Department stations host medicine collection kiosks through MED-Project's Stewardship Plan, as does the San Francisco Sheriff at their Community Programs Building in the South of Market neighborhood.

- Because neither of the Stewardship Plans are meeting the Convenience Standard in all Supervisorial Districts, both MED-Project and Inmar Intelligence are required to provide mail-back envelope distribution locations – where residents can obtain free postage-paid medicine “mail-back” envelopes to return unwanted medicines for disposal – as alternative collection services.
- As of August 2021, MED-Project provides 45 mail-back envelope distribution locations and Inmar Intelligence provides 134 mail-back envelope distribution locations. Photo 3 shows a standard medicine mail-back envelope, which mail-back envelope distribution locations provide residents. Standard mail-back envelopes can be used for collection of all prescription and over-the-counter medicines except medicines dispensed in a pre-filled injector or inhaler dosage form.



Photo 3. Postage-paid standard medicine mail-back envelopes are available to residents free-of-charge at mail-back envelope distribution locations and by request on the resident-facing website and call center.

- MED-Project and Inmar will each also mail three different mail-back packages directly to a resident’s home, free-of-charge, by request through the resident-facing website and call center. The mail-back packages available include: the standard mail-back envelope for pills, liquids, and creams, an injector mail-back package for unused pre-filled injector products such as EpiPens®, and an inhaler mail-back package for medicines dispensed in an inhaler.
- In 2019, MED-Project’s Stewardship Plan collected 29,156 lb. of medicine through its medicine collection kiosk locations and medicine mail-back packages, up 26% from 2018. In 2020, the total weight MED-Project’s Plan collected fell 25% to 21,953 lb., likely due to the COVID-19 pandemic. The Inmar Intelligence Plan was approved in November of 2020 and did not start operation until 2021, with first reporting due in April 2022. See Table 2 for a breakdown of the MED-Project Stewardship Plan’s collection results by year and collection service.
- The physical collection kiosks continue to be the collection service that is most used by San Francisco residents. The collection kiosks account for 98% of the total medicine collected by weight in 2019 and 2020, with the remaining 2% collected through medicine mail-back packages.

- The Department anticipates medicine collection levels to gradually return to pre-pandemic levels in 2021 and 2022, particularly if the pandemic recedes permanently. MED-Project’s collection system, now in its fifth year, is unlikely to change significantly. Inmar Intelligence is still in its first year of Stewardship Plan implementation and has stated they intend to grow their collection system with increased participation from chain pharmacies.
- As of February 2020, 44% of San Francisco residents indicated they were aware of the medicine collection kiosk locations, according to results from the second Biennial Survey of Residents required by the Ordinance. This represents a 7% increase from the 2018 Biennial Survey results.
- MED-Project and Inmar Intelligence are required by the Ordinance to operate a coordinated single system of promotion to broadly promote their Stewardship Plan’s collection services to residents, pharmacies, and the healthcare community. The Department anticipates the increased outreach activities resulting from an additional approved Stewardship Plan to be accompanied by increased awareness among residents, pharmacies, and the healthcare community.

Ordinance Background

Prior to passage of the Ordinance, San Francisco residents long desired a good solution for safely disposing of their unwanted medicines, which cannot be lawfully collected through the City’s Household Hazardous Waste Programs operated by Recology. Improper disposal by flushing medicines down the toilet or drain or placing them in the trash can harm the environment and public health. Wastewater treatment plants are not designed to remove pharmaceutical chemicals, so many flushed medicines pass untreated into surrounding waterbodies and contaminate drinking water sources. Disposal in any of San Francisco’s three refuse collection bins is also problematic because it can lead to accidental poisonings, diversion of medicines for abuse, or harm to sanitation workers. Once in the landfill, medicines may still pollute waterbodies through discharge of landfill leachate to wastewater treatment plants.

Ordinance Overview

The Ordinance is based on an Extended Producer Responsibility (EPR) policy model in which manufacturers of products that are difficult or expensive to dispose of are responsible for the costs of collection and disposal at the end of their product’s useful life. Under an EPR approach, all members of the product chain – producers, retailers, consumers, and governments – participate in one or more product stewardship programs to ensure problem products are managed to protect public health and safety and the environment. Since the 1990’s, highly effective product stewardship programs have been implemented in Europe, Canada, and elsewhere to manage a wide range of products such as batteries, printed paper and packaging, pesticides, automotive tires, appliances, and many more.

Producer Requirements

Under the Ordinance, pharmaceutical manufacturers that sell their products into San Francisco (“Producers”) are required to fund and operate a Department of the Environment-approved product stewardship plan (“Stewardship Plan”) that provides a safe medicine collection system for San Francisco residents. A Producer can operate their own Stewardship Plan individually, jointly with other Producers, or through a third-party product stewardship organization that operates a Stewardship Plan on the Producer’s – or a group of Producers’ – behalf. Each Stewardship Plan is required to meet all requirements of the Ordinance, regardless of which entity is operating the Plan or the number of Producers participating.

Stewardship Plan Requirements

Any entity that intends to operate a Stewardship Plan is required to submit a written Stewardship Plan describing the proposed safe medicine disposal program. The Department evaluates the proposed Stewardship Plan for compliance with the Ordinance and either approves, approves with conditions, or rejects the Plan based on its determination. The Ordinance outlines specific collection system, promotion system, and reporting requirements a Stewardship Plan must meet.

A central concept of the Ordinance is the “Convenience Standard,” which establishes the minimum number of medicine collection kiosk locations a Stewardship Plan must provide. The Convenience Standard is based on Supervisorial District, with each approved Stewardship Plan required to provide at least five medicine collection kiosk locations in each District, geographically distributed to promote convenient and equitable service. Due to federal Drug Enforcement Administration (“DEA”) requirements, only pharmacies, hospitals or clinics with a pharmacy, law enforcement agencies, and narcotics treatment programs can legally host medicine collection kiosks. These DEA-eligible “collectors” participate in a Stewardship Plan by voluntarily hosting medicine collection kiosks for residents to securely dispose their unwanted medicines. The Stewardship Plan operator’s (“Plan Operator”) role is to recruit DEA-eligible collector locations into their Plan, provide and pay for the collection kiosks and ongoing disposal service, train staff at the collection kiosk locations, and provide troubleshooting and other support to Plan participants as needed. If the Plan Operator is unable to meet the Convenience Standard in a District, the Ordinance requires that they provide one-day medicine collection events and/or permanent medicine mail-back envelope distribution locations as alternative collection services. The Ordinance also requires that medicine mail-back envelopes – postage pre-paid packages that residents can use to return their medicines through the mail for proper disposal – are provided to home-bound or reduced mobility residents free-of-charge upon request.

The Ordinance’s promotion system requirements provide guidance to Plan Operators on how to promote their Stewardship Plan to ensure residents, pharmacies, and the healthcare community are broadly aware of the medicine collection services available to residents. The overarching promotion system requirement is that all approved Plan Operators must coordinate with each other to develop a

single system of promotion that will be used by all Stewardship Plans. To that end, Plan Operators are required to work together to create standardized instructions and a readily recognizable design for the collection kiosks. Plan Operators are also required to jointly operate a single telephone call center and website for residents to locate medicine collection services and other pertinent information. The Ordinance also requires Plan Operators to conduct multi-language outreach in five languages – English, Spanish, Chinese, Russian, and Tagalog – and distribute printed outreach materials to residents, pharmacies, and the healthcare community.

Last, the Ordinance requires each Plan Operator to prepare and submit an Annual Report that describes their Stewardship Plan’s activities during the previous calendar year and establishes what information the Report must include.

Department of Environment Oversight

The Department of the Environment’s role is to provide oversight to ensure the Ordinance requirements are being met. This starts with initial Stewardship Plan review, where a prospective Plan Operator submits their Plan proposal to the Department for review. The Department reviews the Plan against the Ordinance requirements and either approves it, approves it with conditions, or rejects it. Once a Stewardship Plan is approved, the Plan Operator must begin implementation. Beyond initial Plan review, the Department provides ongoing oversight to ensure each Stewardship Plan is being implemented as described in the approved written Plan. The Department is authorized to impose fees on Producers and/or Plan Operators to recover costs incurred overseeing the Ordinance. The Department also has enforcement authority under the Ordinance.

Ordinance Outreach Regulations

In July 2016, the Department adopted outreach regulations to provide Plan Operators additional guidance on how to design and implement the single system of promotion required in the Ordinance (“Outreach Regulations”). The Outreach Regulations prescribe detailed outreach requirements, including sections on outreach program design, reporting, effectiveness, and coordination. Among other things, the Outreach Regulations establish outreach performance metrics that a Stewardship Plan must meet and require that at least 50% of San Francisco residents be aware of the Program, as measured by the Biennial Survey of Residents.

Ordinance Implementation Status

Two Approved Stewardship Plans

Medicine Education & Disposal Project (“MED-Project”) is the first product stewardship organization that the Department approved to operate a Stewardship Plan in San Francisco. MED-Project is a business association that was created by Producers to meet the requirements of the Ordinance and similar pharmaceutical EPR ordinances that were passed by other Bay Area counties. MED-Project has

407 Producers participating in its Stewardship Plan per their most recent list of producers submitted in July 2021. MED-Project has operated in San Francisco since October 2016 and was the only approved Plan Operator until November 2020.

In November 2020, Inmar Intelligence (“Inmar”) became the second product stewardship organization the Department approved to operate a Stewardship Plan in San Francisco. Inmar is a privately held company that specializes in logistics, including providing pharmaceutical returns services to pharmacies, pharmaceutical manufacturers, and healthcare providers. Inmar has prior experience running medicine collection programs, having operated their own retailer-funded medicine collection program prior to their entry in San Francisco. Inmar has 10 Producers participating in its Stewardship Plan per their most recent list of producers submitted in August 2021.

46 Collection Kiosk Locations Available

San Francisco residents can use any of the 46 collection kiosk locations operated by either MED-Project or Inmar to conveniently dispose of their unwanted medicines. See Table 1 below for a breakdown of MED-Project and Inmar’s medicine collection services by Supervisorial District.

MED-Project’s Stewardship Program, now in its fifth year of operation, currently provides 44 collection kiosk locations in San Francisco. Collectors participating in MED-Project’s Plan include CVS Pharmacy (13 locations), Kaiser Permanente (three locations), North East Medical Services (four locations), the outpatient pharmacy at Zuckerberg San Francisco General Hospital, and various local retail pharmacies. MED-Project has also partnered with the San Francisco Police Department (“SFPD”) to place collection kiosks at all ten SFPD stations and with the San Francisco Sheriff to host a kiosk at their Community Programs Building in the South of Market neighborhood.

MED-Project’s collection kiosk network has remained stable over the past two years. We do not anticipate significant changes to the number of MED-Project collection kiosks, and MED-Project’s focus has largely shifted from recruiting additional collection kiosk locations to ongoing operation and promotion of their Stewardship Plan.

Inmar established their first collection kiosk locations in June 2021, following the Department’s approval of their Stewardship Plan in November 2020. Inmar’s efforts have focused on leveraging their existing business relationships with chain pharmacies and other businesses that use Inmar’s pharmaceutical returns services to recruit collection kiosk locations. Inmar currently operates two collection kiosks in San Francisco, both at Lucky Supermarket stores.

Inmar has encountered two key challenges in their attempts to establish additional collection kiosk locations: MED-Project, as the incumbent, has already secured many of the pharmacy and law enforcement locations that are eligible and willing to host collection kiosks, leaving few DEA-eligible collectors for Inmar to recruit; and, the ongoing COVID-19 pandemic has made pharmacies reluctant to take on additional responsibilities at a time when staff are dealing with vaccinations and other pandemic-related demands. Inmar may be able to add collection kiosk locations if the pandemic eases

or with increased chain pharmacy participation, but it is unlikely they will be able to reach the Convenience Standard requirement of 5 kiosks per District in the near future.

179 Standard Mail-Back Envelope Distribution Locations Available

Because MED-Project has been unable to reach the Convenience Standard requirement of five collection kiosks in every Supervisorial District, they are required to provide alternative services in the form of collection events and/or mail-back envelope distribution locations. Prior to the COVID-19 pandemic, MED-Project met this requirement by establishing mail-back envelope distribution locations at all 45 San Francisco Fire Department (SFFD) stations and all 28 San Francisco Public Library (SFPL) branches.

During the Inmar Stewardship Plan review process, the Department recognized it would be extremely challenging for Inmar to reach the Convenience Standard requirement of 5 collection kiosks per Supervisorial District in the near term, and accordingly would be required to provide collection events and/or mail-back envelope distribution locations as well. To ensure Inmar's mail-back envelope distribution locations provide residents a level of service and convenience comparable to collection kiosk locations, the Department established an "Alternative Convenience Standard" in Inmar's approved Stewardship Plan. Under the Alternative Convenience Standard, Inmar is currently required to provide at least nine mail-back envelope distribution locations per District. Inmar has met the Alternative Convenience Standard requirement by recruiting locations such as medical, dental, and veterinary offices, pharmacies, health clinics, and urgent care providers to distribute standard mail-back envelopes. As of August 2021, Inmar is meeting the Alternative Convenience Standard of nine or more mail-back envelope distribution locations in every District and has established 134 locations total within San Francisco.

Mail-Back Packages Available to Residents by Telephone and Online Request

The Ordinance requires Plan Operators to provide medicine collection services to residents who are home-bound or have difficulty visiting a collection kiosk by mailing standard mail-back envelopes directly to a resident's home free-of-charge when requested through the resident-facing website and call center. MED-Project and Inmar have both expanded on this requirement by allowing any San Francisco resident to order envelopes through the website and call center. MED-Project and Inmar also provide residents two additional product-specific mail-back packages: an injector mail-back package for unused pre-filled injector products such as EpiPens®, and an inhaler mail-back package for medicines dispensed in an inhaler.

Table 1: Medicine Collection Services by Supervisorial District as of October 2021

Supervisorial District	Collection Kiosk Locations		Mail-Back Envelope Distribution Locations		Total Collection Services
	MED-Project	Inmar	MED-Project	Inmar	
1	4	0	3	9	16
2	2	0	7	11	20
3	8	0	7	12	27
4	3	0	0	13	16
5	8	1	0	18	27
6	7	0	0	11	18
7	3	1	6	10	20
8	2	0	6	10	18
9	2	0	7	13	22
10	4	0	0	17	21
11	1	0	9	10	20
Total	44	2	45	134	—
Grand Total	46		179		225

COVID-19 Pandemic Impacts

The COVID-19 pandemic has posed challenges for both Stewardship Plan Operators. MED-Project has had to work through impacts to their established collection system such as access restrictions and closures of participating locations and new health and safety protocols for kiosk technicians and other service providers. Despite these challenges, availability of collection kiosk locations has been minimally affected. In total, five MED-Project collection kiosk locations have experienced access restrictions and/or closures during the pandemic. MED-Project’s other collection kiosk locations have remained open and collecting medicines throughout the pandemic as essential businesses or law enforcement agencies.

The pandemic has had a much greater impact on MED-Project’s standard mail-back envelope distribution locations. All 28 SFPL branches closed in March 2020 and the 45 SFFD stations decided to pause distribution of envelopes in March 2020 to protect the health and safety of their staff. In the fall of 2020, MED-Project established 45 new mail-back envelope distribution locations at medical, dental, and veterinary offices and health clinics. MED-Project recently informed the Department they are permanently discontinuing the 73 SFFD and SFPL standard mail-back envelope distribution locations.

For Inmar, the pandemic has challenged their ability to recruit and establish collection kiosk locations as they work to build out their own collection system. Many pharmacies and other DEA-eligible collector locations have been unwilling to host collection kiosks, citing limited staffing and their involvement in vaccination efforts as barriers to participating. Under the Alternative Convenience Standard, Inmar has established 134 standard mail-back envelope distribution locations within San

Francisco.

Medicine Collection Results

Medicine collection results are only available for MED-Project’s Stewardship Plan. Inmar will not report their first year of collection data until they submit their 2021 Annual Report in April of 2022. In 2019, the total weight MED-Project collected through kiosks and mail-back envelopes increased to 29,156 lbs. from 23,096 lbs. in 2018, a 26% increase. In 2020, MED-Project’s total weight collected decreased significantly, as the COVID-19 pandemic prompted residents to reduce trips to essentials only and limited the number of collection options available. The weight collected in mail-back envelopes did increase by 24% between 2019 and 2020, but not nearly enough to offset the substantial decline in kiosk collections. All told, the total weight collected in 2020 decreased to 21,953 lbs., representing a 25% decrease from the previous year. See Table 2 for a summary of MED-Project’s annual collection results, including a breakdown of the weight collected in kiosks versus in mail-back envelopes.

Table 2: MED-Project Stewardship Plan Medicine Collection Results

Calendar Year	Kiosk Locations (pounds)	Mail-Back Envelopes (pounds)	Total Pounds Collected	Total Pounds Percent Change
2017	12,911	161	13,072	–
2018	22,929	167	23,096	+ 77%
2019	28,710	446	29,156	+ 26%
2020	21,400	553	21,953	- 25%
Total	85,950	1,327	87,277	

Collection Program Promotion

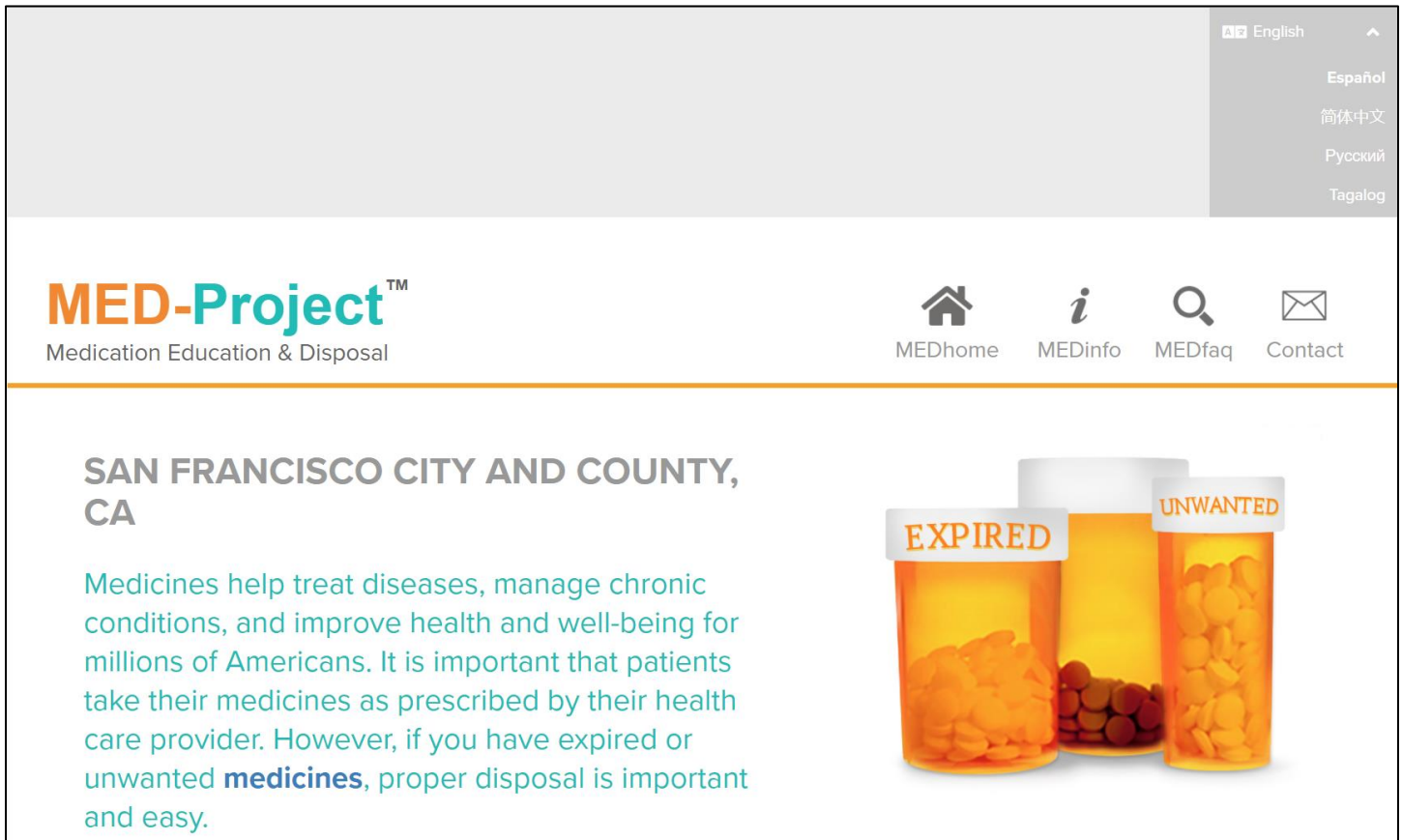
The Ordinance requires all approved Stewardship Plans to coordinate with each other to develop a single system of promotion. MED-Project, as the only approved Plan Operator from October 2016 to November 2020, developed and operated a promotion system of their own design in the years prior to Inmar’s entry. As required by the Ordinance, MED-Project created a standardized kiosk design, established a resident-facing website and call center, and developed designs for brochures, posters, and a variety of other outreach activities. The previous Biennial Reports detail MED-Project’s outreach activities prior to July 2019. The following activities occurred during this report period.

Multi-Language Website Support

In August 2019, MED-Project made a significant improvement to their website by adding full multi-language functionality. MED-Project had previously complied with the Ordinance’s multi-language requirement by providing PDFs of their website’s English language content translated into the other required languages. Although this approach narrowly satisfied the multi-language requirement, it did

not provide an equivalent user experience or functionality in non-English languages. In response to Department feedback, MED-Project added integrated in-browser translation for their complete website, including the embedded map of collection services and the medicine mail-back services request form that residents use to order mail-back packages. Instead of having to use the translated PDFs to navigate the English-language website, residents can now select their desired language using a drop-down menu in the top right corner of the website, which then displays content in the selected language. See Figure 1 for an image of MED-Project’s website with the language selection drop-down menu.

Figure 1: MED-Project website with full multi-language functionality



Biennial Survey of Residents

MED-Project conducted the second biennial survey of San Francisco residents (“Biennial Survey”) as required by the Ordinance in January and February 2020. Survey results showed that 44% of residents had recently heard about medicine collection services. While this was a 7% increase compared to results from the 2018 Biennial Survey, MED-Project still fell short of the 50% resident awareness requirement in the Outreach Regulations. Failure to achieve 50% resident awareness in a Biennial Survey triggers a requirement for Plan Operators to conduct more outreach to increase resident’s awareness. In response, MED-Project designed and executed a robust outreach plan for the remainder of 2020 which included digital advertisements, television and radio spots, print advertisements in

English, Spanish and Chinese, and social media advertisements in all the required languages. MED-Project and Inmar will be required to coordinate on the next Biennial Survey to be conducted in 2022.

Department Implementation Activities

Program Participant Monitoring and Support

Similar to prior years, the Department conducted regular in-person site visits to each retail pharmacy and hospital/clinic pharmacy hosting a medicine collection kiosk through MED-Project's Stewardship Plan in 2019 and in the first three months of 2020. During the height of the pandemic, the Department paused in-person visits and shifted to shorter, less formal phone and email contacts and reduced the number of contacts to collection kiosk locations overall to allow pharmacy staff to focus on their primary duties and vaccination efforts. The Department intends to resume the pre-pandemic practice of visiting each pharmacy collection kiosk location approximately every six months when conditions make it safe and appropriate to do so.

Program Brochure Mailing to 700 Healthcare Facilities

In Fall 2019, the Department introduced a new required outreach activity for MED-Project intended to raise awareness among the healthcare community. The Department prepared a list of over 700 San Francisco pharmacies, doctor's offices, healthcare clinics, and veterinary facilities and provided it to MED-Project. MED-Project was required to send a supply of their Stewardship Plan's outreach brochures in each of the five required languages to the entities on the list. To assist this effort, the Department provided MED-Project an introductory letter signed by Department Director Deborah Raphael to preview the brochure delivery. MED-Project mailed the letter to each entity and then shipped the brochures soon after.

Collaboration with California, Oregon and Washington State Jurisdictions

The Department continues to coordinate a monthly call ("Medicine Stewardship Workgroup Call") where West Coast local and state regulators convene to discuss implementation of their respective pharmaceutical stewardship laws, coordinate oversight efforts, and share experiences and expertise. The Medicine Stewardship Workgroup Call originally included only local government participants but expanded in 2019 to include representatives from Oregon and Washington State after both states passed EPR legislation requiring pharmaceutical producers to operate safe medicine disposal programs statewide. As of August 2021, staff representing 11 state and local governments regularly participate in the Medicine Stewardship Workgroup Calls.

The Department has also engaged with the California Department of Resources Recycling and Recovery (CalRecycle) regarding CalRecycle's implementation of California Senate Bill 212 – EPR legislation passed in 2018 that requires producers of pharmaceuticals and medical sharps to operate safe disposal programs for both medicines and sharps statewide. SB 212 is based on the same EPR

concepts as the Ordinance but has some notable differences including a weaker Convenience Standard that would require only 18 collection kiosk locations compared to 55 required by the San Francisco Ordinance and less robust promotion system requirements. SB 212 preempts new EPR ordinances for medicine or sharps at the local level but exempts ordinances that were in effect prior to SB 212, including San Francisco's. SB 212 also provides local jurisdictions with pre-existing ordinances the option of joining the statewide medicine and/or sharps disposal programs if the local jurisdiction repeals their existing EPR ordinance(s).

CalRecycle is currently in the stewardship plan review process, and the statewide medicine and sharps disposal programs are not required to be implemented until July 2022. The Department has no immediate plans to repeal the Ordinance and join the SB 212 medicine disposal program. Nonetheless, the Department has made a practice of sharing information and experience gained from Ordinance implementation with CalRecycle to help ensure the statewide programs are implemented effectively.

Ordinance Fee Schedule Adjustment

In June of 2020 the Commission on the Environment approved a revised Fee Schedule proposed by the Department which included increases in both the Plan Review and Annual Operating Fee required in the Ordinance. This was the first fee revision since the initial Fee Schedule was adopted by the Commission in May 2016. In FY2018-19, the Department recovered less than 60% of its expenses to implement the Ordinance and projections for FY2019-20 recovery were less than 52%. Under the June 2020 Fee Adjustment, the Plan Review Fee increased from \$70 per hour to \$110 per hour and the Annual Operating Fee increased from \$35,000 per year to \$95,000 per year to be split equally among all operators of a Stewardship Plan approved as of July 1 of each year.

Implementation Challenges

Lack of Chain Pharmacy Participation

Lack of chain pharmacy participation continues to challenge both MED-Project's and Inmar's ability to meet the Ordinance Convenience Standard and ultimately provide convenient and equitable medicine collection services in all Supervisorial Districts. This is particularly the case in certain Districts where chain pharmacies are the only DEA-eligible collector locations. No new pharmacy chains have joined MED-Project's Stewardship Plan since CVS Pharmacy in 2018. Inmar may be better positioned to secure additional chain pharmacy participation, given their existing business relationships with organizations such as Costco, Safeway, and California Pacific Medical Center. To date, Lucky Supermarkets is the only chain pharmacy hosting collection kiosks through Inmar's Stewardship Plan, but Safeway and California Pacific Medical Center are participating with Inmar as mail-back envelope distribution locations. If lack of chain pharmacy participation continues to be a barrier to providing convenient and equitable service, the Department could consider requiring chain pharmacy participation in Districts where Plan Operators have been unable to meet the Convenience Standard.

Walgreens Private Medicine Collection Program at Limited Locations Nationwide

Walgreens – as the largest pharmacy operator in San Francisco by far – represents the largest remaining group of DEA-eligible collector locations where MED-Project or Inmar can establish collection kiosks. As of August 2021, Walgreens operates 53 pharmacies in San Francisco. Walgreens has so far declined to participate in either the MED-Project or Inmar Stewardship Plan. Instead, Walgreens continues to operate their own self-funded safe medicine disposal program at only eight of their 53 San Francisco locations. Walgreens' private program is not subject to the requirements of the Ordinance and differs from MED-Project's and Inmar's Stewardship Plans in several areas. The Walgreens collection kiosks are inconsistent in the types of medications accepted. Every Walgreens kiosk accepts pills, most accept liquids and creams, but only a few accept inhaler and aerosol formulations. The inconsistencies are an ongoing source of frustration for residents. Walgreens also does not provide free mail-back packages for pre-filled injector products or to residents by request, so their collection services are less comprehensive. Lastly, the Walgreens program is confusing to residents because only a small number of their locations have kiosks compared to their overall footprint in San Francisco. The Walgreens program does contribute to safe medicine disposal overall by providing eight additional medicine collection locations, but residents would be better served if Walgreens agreed to host kiosks at all its San Francisco locations through MED-Project's or Inmar's Stewardship Plan.

Single System of Promotion Implementation

Integrating MED-Project's existing promotion system with the newcomer Inmar to form a single cohesive promotion system proved to be a significant challenge. Fortunately, the Outreach Regulations provide guidance that Plan Operators must adhere to when developing a coordinated, single system of promotion. One key section provides the Department the authority to convene a mandatory meeting of Plan Operators to develop the required single system of promotion. This language proved critical, as MED-Project and Inmar initially refused to collaborate, preferring instead to operate their own separate promotion systems side-by-side. The Department viewed this as an unacceptable outcome due to the possibility of resident confusion and contradictory messaging and insisted the two Plan Operators work together on a cohesive, coordinated promotion system. At the same time, the Department recognized that residents had become accustomed to MED-Project's collection kiosk design, website and call center, and other outreach elements over the years.

In October 2020 the Department convened a meeting of the two Plan Operators, bringing MED-Project and Inmar together to start working on the single system of promotion. This meeting helped jump-start a productive working relationship, and MED-Project and Inmar subsequently began substantive discussions. Citing resident's familiarity with their existing outreach program, MED-Project proposed that Inmar adopt their existing kiosk signage, brochure design, and other print materials for use in Inmar's Stewardship Plan through a royalty-free licensing agreement. Inmar agreed and signed the licensing agreement in April 2021, clearing them to use MED-Project's existing materials for Inmar's

kiosks and mail-back packages. As of September 2021, MED-Project and Inmar are working diligently to develop a single, integrated solution for the resident-facing website and call center.

Conclusions

The Ordinance envisions a producer-operated and financed program that provides San Francisco residents the opportunity to conveniently and safely dispose of their unwanted medicines. There are now two approved Stewardship Plans providing residents a combined 46 collection kiosk locations, 179 standard mail-back envelope distribution locations, and three different types of mail-back packages by request online and by phone.

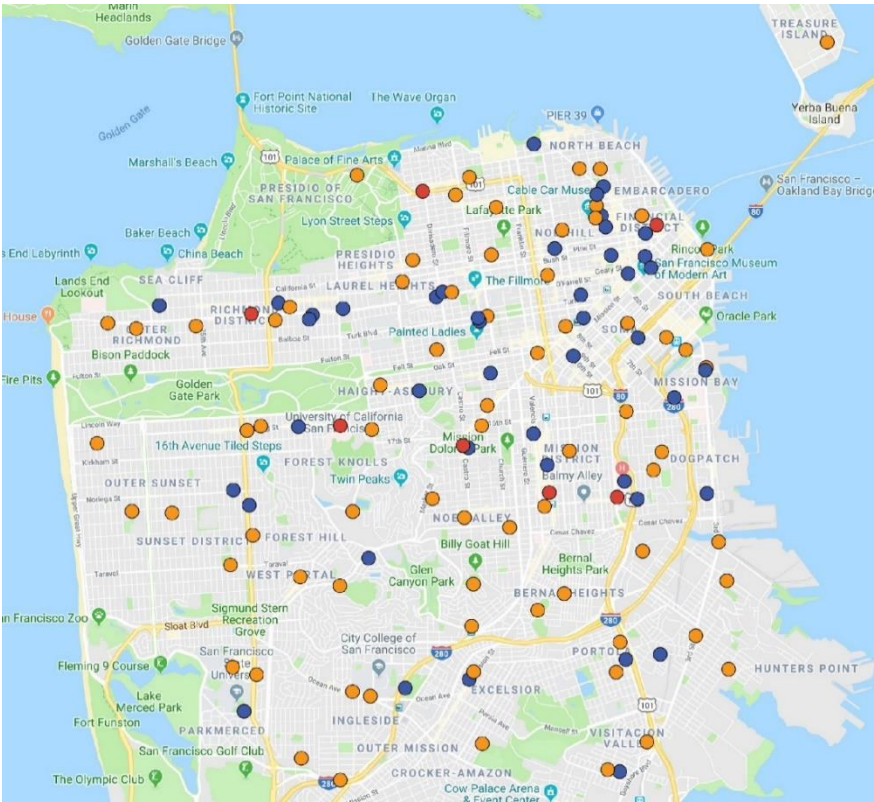
MED-Project's Stewardship Plan – now in its fifth year of operation – has a mature collection system and developed outreach program. Inmar's Stewardship Plan is in its first year of operation and is in the process of building out its collection system. Inmar is primarily providing mail-back envelope distribution locations as an alternative collection service to medicine collection kiosks at this time. Despite some initial resistance, MED-Project and Inmar are developing and implementing a cohesive single system of promotion that integrates Inmar's Stewardship Plan while preserving many of the familiar elements of MED-Project's pre-existing outreach system.

The COVID-19 pandemic negatively impacted both MED-Project's and Inmar's Stewardship Plans, but the impacts have not been crippling. The total weight of medicines collected declined 25% between 2019 and 2020. The biggest driver of the decrease was likely residents reducing trips to essential visits only, as collection kiosk availability was relatively unaffected by the pandemic. The pandemic has challenged Inmar's ability to recruit locations to host collection kiosks through its Stewardship Plan. The Department anticipates a gradual return to pre-pandemic collection levels in 2021 and 2022, particularly if the pandemic abates.

The ability of both Plan Operators to expand their collection kiosk network is largely dependent on increased chain pharmacy participation. Currently, the majority of DEA-eligible collector locations in San Francisco that are not hosting kiosks are chain or corporate pharmacy locations such as Costco, California Pacific Medical Center, Safeway, and Walgreens. Inmar may be better positioned for chain pharmacy recruitment due to their existing business relationships with several pharmacy chains.

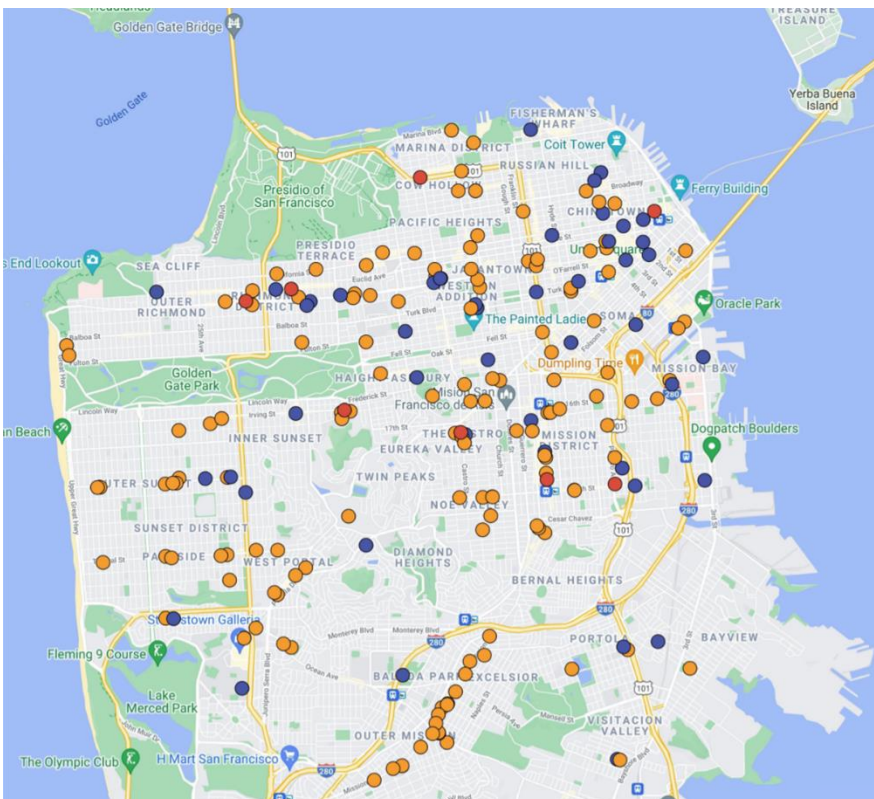
At this time, the Department does not have any recommended changes to the Ordinance itself. The Department is preparing revisions to the 2016 Outreach Regulations to expand requirements in a number of areas. These include modifications to formalize the single system of promotion and alternative convenience standard, establish standardized requirements for operating mail-back envelope distribution locations, and expand reporting requirements. We anticipate completing revised Outreach Regulations for the Safe Drug Disposal Stewardship Ordinance in Winter 2022.

Appendix A: Visual Comparison of Medicine Collection Services, August 2019 vs. August 2021



August 2019

- MED-Project Collection Kiosk Location
- Mail-Back Envelope Distribution Location
- Walgreens Collection Kiosk Location



August 2021

- MED-Project/Inmar Kiosk Location
- Mail-Back Envelope Distribution Location
- Walgreens Collection Kiosk Location