

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
Vote:	7 - 2 - 0
Yeas:	Bonamici, Cannon, Gelser, Kotek, Maurer, Richardson, Greenlick
Nays:	Bruun, Flores
Exc.:	0
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	2/16, 4/13, 4/27

WHAT THE MEASURE DOES: Prohibits pharmaceutical manufacturing companies from providing certain gifts greater than \$100 value to a physician or other authorized person who prescribes prescription drugs in Oregon. Adds Oregon Health and Science University fellows and employees to the specified exemptions. Authorizes the Department of Justice (DOJ) to impose civil penalty up to \$10,000 for each calendar day during a willful violation occurs. Establishes the Pharmaceutical Marketing Penalty Fund. Continuously appropriates moneys in fund to DOJ for administration and enforcement of the Act. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Impacts of meals and other gifts being provided to physicians, residents and medical students
- Pharmaceutical companies' spending to promote products
- Other states that have implemented or are considering gift bans
- Gifts versus free prescription samples
- Concerns about pharmaceutical grants being considered gifts
- Review of pharmaceutical industry and Office of Inspector General guidelines
- Current sanctions for non-compliance

EFFECT OF COMMITTEE AMENDMENT: Prohibits pharmaceutical manufacturers from offering or providing to physicians or others authorized to prescribe drugs any gift valued at more than \$100. Identifies exceptions: scholarships to attend educational conferences, gifts that have the primary purpose of providing educational benefits, items that directly convey information about health care products, educational benefits or supporting medical research, and meals with a value of not more than \$100. Specifies that the dollar amounts be adjusted for inflation beginning in 2008. Clarifies that application of penalties are on a per calendar day basis for "willful violation. Exempts Oregon Health and Science University fellows and employees from pharmaceutical manufacturing company or pharmaceutical marketer gift ban.

BACKGROUND: In response to concerns about whether the pharmaceutical industry's marketing efforts influence which drugs doctors prescribe and whether those costs are passed on to the consumer, a number of states, medical schools and hospitals are considering or have begun to ban meals and other gifts from pharmaceutical companies. However, with such bans, there remain unanswered questions and the uncertainty of potential unintended consequences. Responding to these recent efforts, the Pharmaceutical Research and Manufactures of America states, "In the end, pharmaceutical marketing is one of several ways for health care providers to receive the information they need to make sure medicines are used properly and patients are safely and effectively treated."

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This summary has not been adopted or officially endorsed by action of the committee.