

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	8 - 0 - 2
Yeas:	Bruun, Cannon, Dembrow, Garrett, Harker, Maurer, Thompson, Greenlick
Nays:	0
Exc.:	Kennemer, Kotek
Prepared By:	Roxie Cuellar, Administrator
Meeting Dates:	5/22

WHAT THE MEASURE DOES: Requires prescription drug manufacturers and wholesale prescription drug outlets to adopt marketing code of conduct, as well as policies and procedures for investigations of noncompliance, and provide and conduct training for employees. Specifies principles that must be included in code of conduct. Requires drug company to identify compliance officer responsible for developing and ensuring compliance with code of conduct. Mandates that company perform annual self-audit and report outcome to Board of Pharmacy. Directs Board to report findings by March 31 of each regularly scheduled legislative session.

ISSUES DISCUSSED:

- Limiting application to sale of prescribed drugs
- Exclusion of wholesale drug distributors
- Similar to Nevada statute

EFFECT OF COMMITTEE AMENDMENT: Limits code of conduct requirements to the sale of prescription drugs.

BACKGROUND: Federal laws currently exist pertaining to the prevention of fraud and abuse related to any remuneration paid to prescribers. Federal law requires that in any arrangement in which a prescriber is paid by a manufacturer, the services provided must be paid for at fair market value and be in exchange for bona fide services rendered. This law states that each manufacturer must identify any "remunerative relationship" between itself or its representatives and individuals or entities in a position to directly or indirectly generate federal health care business. Additionally, the law states that each manufacturer must analyze whether even one purpose of any remuneration to anyone who could directly or indirectly generate health care business may be unlawful.