

Joint Committee on Ways and Means

Carrier – House: Rep. Richardson
Carrier – Senate: Sen. Morrisette

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass

Vote: 21 – 0 – 1

House

Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

Nays:

Exc:

Senate

Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett

Nays:

Exc: Winters

Prepared By: Erica Kleiner, Legislative Fiscal Office

Meeting Date: 6/19, 6/23

WHAT THE MEASURE DOES: Requires drug manufacturers and wholesale drug outlets to adopt a marketing code of conduct, provide and conduct training and perform an annual self-audit and report the outcome to the Board of Pharmacy. Directs Board to report findings by March 31 of each regularly scheduled legislative session.

ISSUES DISCUSSED:

- Fiscal impact

EFFECT OF COMMITTEE AMENDMENT: No amendment

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 remuneration 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.