

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2376

STATUS: B-Engrossed

SUBJECT: Requires pharmaceutical manufacturer to annually report to the Department of Justice (DOJ) any economic benefits the manufacturer provides to purchasers, providers or dispensers of manufacturer's products in the state. Directs DOJ to make reported information available on website. Makes violation of reporting requirement unlawful business practice.

GOVERNMENT UNIT AFFECTED: Department of Justice

PREPARED BY: Tim Walker/Kim To

REVIEWED BY: Doug Wilson

DATE: June 19, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Department of Justice		
Personal Services – Other Funds	\$ 41,813	\$ 41,813
Services and Supplies – Other Funds	\$ 16,411	\$ 16,411
Total	\$ 58,224	\$ 58,244
POSITIONS / FTE:		
Information Systems Spec. 6	1/0.28	1/0.28

EFFECTIVE DATE: On Passage.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: House Bill 2376 requires pharmaceutical manufacturers to report gifts, fees, payments, subsidies or other economic benefits the manufacturer provides to purchasers, providers or dispensers of manufacturer's drugs in the state to the Department of Justice (DOJ). In addition, the bill directs DOJ to make the information submitted available to the public through a website that is searchable, clear and understandable. The measure also instructs DOJ to provide reports to the Legislative Assembly on the information received from manufacturers and enforcement actions taken.

The costs of this program would be paid out of the Consumer Protection and Education Fund (CPE) that is supported by fines generated by enforcement actions related to Consumer Protection. The amounts outlined above only reflect the cost to build and maintain the database and the web interface so that the public can readily access reported information. It is assumed that rulemaking will be absorbed by the CPE as part of their normal rulemaking activity. DOJ would need to prioritize any enforcement activities associated with this bill with all other on-going activities funded by the CPE.