

SB 763 A STAFF MEASURE SUMMARY

Senate Committee On Health Care

Action Date: 04/07/21

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 4-1-0-0

Yeas: 4 - Beyer, Knopp, Manning Jr, Patterson

Nays: 1 - Heard

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Brian Nieubuurt, LPRO Analyst

Meeting Dates: 3/3, 4/7

WHAT THE MEASURE DOES:

Prohibits person from engaging in business as pharmaceutical representative unless person is licensed by the Department of Consumer and Business Services (DCBS). Defines key terms, including "compensation" and "pharmaceutical product." Specifies acts constituting engaging in business as pharmaceutical representative. Specifies license application requirements and procedures, required qualifications of licensee, and basis on which DCBS Director may issue, renew, or reinstate license. Specifies duties for licensees and licensee applicants, including required disclosures and notifications to DCBS. Prohibits specified acts by licensees and permitted disciplinary actions. Requires DCBS Director to report to Legislative Assembly by December 31 of each year on required licensee disclosures. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Impact of pharmaceutical marketing practices on cost and quality of health care
- Federal regulations governing pharmaceutical representative interactions with providers
- Current availability of information regarding providers' financial relationships with pharmaceutical manufacturers
- Potential impact on representatives visiting the state (e.g., for conventions)

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

According to a review of medical marketing conducted in the United States from 1997-2016, marketing to medical professionals accounted for the highest proportion of spending on prescription drug marketing, totaling \$20.3 billion in 2016. While pharmaceutical representatives provide useful information to clinicians, these representatives are often incentivized to increase drug sales or steer clinicians toward higher-priced drugs that might not be the best value for the patient. These incentives can jeopardize appropriate medical care and increase the overall cost of prescription drugs.

Senate Bill 763 A establishes pharmaceutical representative licensure through the Department of Consumer and Business Services and specifies duties and responsibilities of pharmaceutical representative licensees.