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FISCAL IMPACT REPORT

SPONSOR: Kidd DATE TYPED: 02/12/01 HB _____
 SHORT TITLE: Prescription Drug Fair Pricing Act SB 141/aSJC
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 140, Senate Bill 142, Senate Bill 143 and Senate Bill 144.
 Duplicates House Bill 301.

SOURCES OF INFORMATION

Health Policy Commission
 Board of Nursing

SUMMARY

Synopsis of SJC Amendment

SB 141/aSJC removes references to the manufacturer of prescription drugs and also removes the prohibition of providing discounts based on the class of trade. SB 141/aSJC still requires that “a seller that offers prescription drugs in a covered transaction to a purchaser shall during the same relevant time period offer the same terms and conditions for the drugs in a covered transaction to any other purchaser.”

Synopsis of Bill

Senate Bill 141 requires fair pricing and prohibits discrimination in drug pricing. A manufacturer or seller that offers prescription drugs in a transaction covered by this bill shall, during the same or substantially the same time period, offer the same terms and conditions for the drugs to any other purchaser. SB 141 covers transactions in which a manufacturer sells to a purchaser through a contractual agreement, purchase prices for similar volume purchases, rebates, free merchandise and

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samples. SB 141 does not prohibit a seller from offering or providing discounts as long as the discount is available to all purchasers on equal terms.

The following drug purchasers are exempted from the provisions of this bill:

- any federal, state or local government that directly purchases or procures prescription drugs;
- hospitals that purchase prescription drugs for their inpatients use, but not for resale or outpatient use;
- charitable, non-profit health care providers, except those that offer, issue or administer a health insurance policy or an employee benefit plan.

FISCAL IMPLICATIONS

Senate Bill 141 has no direct fiscal impact on State Agencies other than a possible increased caseload for the Attorney General and the Courts.

DUPLICATES/RELATIONSHIP

Duplicates House Bill 301.

Relates to Senate Bill 140, Senate Bill 142, Senate Bill 143 and Senate Bill 144.

POSSIBLE QUESTIONS

Will Senate Bill 141 have a negative effect on the managed health care organizations ability to control drug costs?

DW/sb:pr:rw