

ASSEMBLY BILL NO. 66—ASSEMBLYMEN CONKLIN,
GIUNCHIGLIANI, PIERCE, LESLIE, PARKS, ATKINSON,
BUCKLEY, CLABORN, DENIS, GERHARDT, HORNE,
MANENDO, OCEGUERA, PARNELL AND PERKINS

FEBRUARY 16, 2005

JOINT SPONSORS: SENATORS CARLTON AND TITUS

Referred to Committee on Commerce and Labor

SUMMARY—Requires reporting of certain gifts or other economic
benefits provided by wholesalers or manufactures
regulated by State Board of Pharmacy.
(BDR 54-562)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: No.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the State Board of Pharmacy; requiring a
wholesaler or manufacturer to report to the Board certain
gifts or other economic benefits provided by the
wholesaler or manufacturer to practitioners, registered
pharmacists or administrators of health care facilities or
plans; providing civil and criminal penalties; and
providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law prohibits a person from acting as a drug manufacturer or
2 wholesaler unless he has obtained a license from the State Board of Pharmacy.
3 (NRS 639.100, 639.233)

4 This bill requires drug manufacturers and wholesalers to report annually to the
5 State Board of Pharmacy the value, nature and purpose of any gift, fee, payment,
6 subsidy or other economic benefit provided to a practitioner, registered pharmacist
7 or administrator of a health care facility or plan that conducts business in the State.
8 Any manufacturer or wholesaler that fails to comply with this reporting
9 requirement is guilty of a misdemeanor and is also subject to a civil penalty of not



more than \$10,000. If a court finds the manufacturer or wholesaler liable for the civil penalty, the court must order the manufacturer or wholesaler also to pay court costs, investigative costs and attorney's fees.

This bill requires the State Board of Pharmacy to report biennially the information received from drug manufacturers and wholesalers to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 639 of NRS is hereby amended by adding thereto a new section to read as follows:

1. On or before December 31 of each year, a wholesaler or manufacturer shall file a report with the Board disclosing the value, nature and purpose of any gift, fee, payment, subsidy or other economic benefit that the wholesaler or manufacturer provided, directly or indirectly, to a practitioner or registered pharmacist in this State or an administrator of a health care facility or plan that conducts business in this State, except that the report need not disclose any:

- (a) Free sample intended for distribution to patients;*
- (b) Payment of reasonable compensation and reimbursement of expenses in connection with a bona fide clinical trial or study;*
- (c) Gift, fee, payment, subsidy or other economic benefit the value of which is less than \$25; or*
- (d) Scholarship or other support for a medical student, resident or fellow to attend a significant educational, scientific or policymaking conference of a national, regional or specialty medical or other professional association, if the recipient of the scholarship or other support is selected by the professional association.*

2. The report must:

- (a) Cover the 12-month period ending on June 30 of the year in which the report is due;*
- (b) Include the name of the recipient of each reported gift, fee, payment, subsidy or other economic benefit provided by the wholesaler or manufacturer; and*
- (c) Be made on a form and in a manner prescribed by the Board.*

3. The wholesaler or manufacturer shall identify any information in the report that is a trade secret. All information so identified is confidential and must not be disclosed by the Board.

4. On or before October 1 of each year, a wholesaler or manufacturer shall disclose to the Board the name and address of



1 *the person responsible for ensuring that the wholesaler or*
2 *manufacturer complies with the provisions of this section.*

3 5. *The Board shall, on or before January 15 of each odd-*
4 *numbered year, prepare and submit to the Governor and to the*
5 *Director of the Legislative Counsel Bureau for transmittal to the*
6 *Legislature a report containing the information provided to*
7 *the Board pursuant to this section by each wholesaler or*
8 *manufacturer, except that the report submitted to the Governor*
9 *and the Director of the Legislative Counsel Bureau must not*
10 *disclose any trade secret identified pursuant to subsection 3.*

11 6. *If a wholesaler or manufacturer fails timely to file a report*
12 *pursuant to this section or knowingly and willfully fails to disclose*
13 *in such a report any information that is required pursuant to this*
14 *section, the wholesaler or manufacturer is, in addition to any*
15 *criminal penalty, subject to a civil penalty of not more than*
16 *\$10,000 for each violation. If a court finds the wholesaler or*
17 *manufacturer liable for the civil penalty, the court shall order the*
18 *wholesaler or manufacturer also to pay:*

19 (a) *Court costs; and*

20 (b) *Reasonable costs of the investigation and prosecution of*
21 *the civil action, including, without limitation, attorney's fees.*

22 7. *As used in this section:*

23 (a) *"Administrator of a health care facility or plan" means a*
24 *person who is authorized to direct, control or supervise the policies*
25 *or practices of an entity providing health care or an entity*
26 *operating or administering any type of facility, program or plan*
27 *relating to the provision of health care, including, without*
28 *limitation, a third-party administrator.*

29 (b) *"Trade secret" has the meaning ascribed to it in*
30 *NRS 600A.030.*

31 **Sec. 2.** *This act becomes effective on January 1, 2006.*



