

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 and other
economic benefits provided by wholesalers or
manufacturers of drugs. (BDR 18-562)

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 Attorney General; requiring certain
wholesalers or manufacturers of drugs to report to the
Attorney General's Office certain gifts and other
economic benefits provided by the wholesalers or
manufacturers to practitioners; providing civil 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 Attorney General's Office the value, nature and purpose of any gift, fee, payment,
6 subsidy or other economic benefit provided to a practitioner licensed to purchase
7 wholesale, prescribe or dispense prescription drugs in the State. Any manufacturer
8 or wholesaler that fails to comply with this reporting requirement is subject to a
9 civil penalty of not more than \$10,000. If a court finds the manufacturer or
10 wholesaler liable for the civil penalty, the court must order the manufacturer or
11 wholesaler also to pay court costs, investigative costs and attorney's fees. The



Attorney General is authorized to bring an action to enforce the reporting requirements.

This bill requires the Attorney General's Office 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 228 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 licensed pursuant to chapter 639 of NRS shall file a report with the Attorney General's Office 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, including, without limitation, any physician, hospital, nursing home, pharmacist, administrator of a health care facility or plan or any other person authorized to purchase wholesale, prescribe or dispense prescription drugs 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 Attorney General's Office.

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 Attorney General's Office.



1 4. On or before October 1 of each year, a wholesaler or
2 manufacturer shall disclose to the Attorney General's Office the
3 name and address of the person responsible for ensuring that the
4 wholesaler or manufacturer complies with the provisions of this
5 section.

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

15 6. If a wholesaler or manufacturer fails timely to file a report
16 pursuant to this section or knowingly and willfully fails to disclose
17 in such a report any information that is required pursuant to this
18 section, the wholesaler or manufacturer is subject to a civil
19 penalty of not more than \$10,000 for each violation. The Attorney
20 General may bring a civil action to enforce the provisions of this
21 section. If a court finds the wholesaler or manufacturer liable for
22 the civil penalty, the court shall order the wholesaler or
23 manufacturer also to pay:

24 (a) Court costs; and

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

27 7. The Attorney General may adopt such regulations as are
28 necessary and convenient for the enforcement of the provisions of
29 this section, including, without limitation, regulations specifying
30 the form and manner of the report required by this section.

31 8. As used in this section:

32 (a) "Administrator of a health care facility or plan" means a
33 person who is authorized to direct, control or supervise the policies
34 or practices of an entity providing health care or an entity
35 operating or administering any type of facility, program or plan
36 relating to the provision of health care, including, without
37 limitation, a third-party administrator.

38 (b) "Trade secret" has the meaning ascribed to it in
39 NRS 600A.030.

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



