

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO
SENATE, No. 2389

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 3, 2019

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2389.

As amended by the committee, this bill requires the New Jersey State Board of Pharmacy to establish a prescription drug pricing disclosure website. In order to make this information available for the website, the amended bill further requires certain pharmaceutical manufacturing companies to provide prescription drug price information to the board.

Under the bill as amended, the board is required to develop a prescription drug pricing disclosure website in order to make prescription drug price information available to New Jersey practitioners, who are individuals currently licensed, registered, or otherwise authorized in the State to administer or prescribe drugs in the course of professional practice. The website must have a dedicated link that is prominently displayed on the board's home page and include, at a minimum, the following data elements, separated by therapeutic category: (1) name of the product; (2) whether the drug is brand name or generic; (3) drug strength; (4) per-unit wholesale acquisition cost of the drug, provided to the board by pharmaceutical manufacturing companies as required by the bill; and (5) any disclaimers deemed appropriate by the board that are not inconsistent with State and federal law or regulations. Each State board and other entity that, under Title 45 of the Revised Statutes, regulates individuals with prescriptive authority in New Jersey is required to advise the licensees of the board or entity at least once annually of the opportunity to access the prescription drug pricing disclosure website.

The amended bill also requires that each pharmaceutical manufacturing company that engages in any form of prescription drug marketing, either directly or through the use of a pharmaceutical marketer, with a New Jersey practitioner, a practitioner's designee, or any member of a practitioner's staff, to provide to the board, no later than 30 days after the end of each quarter of the calendar year, the current wholesale acquisition cost information for the pharmaceutical

drugs or biological products marketed in the State by that company. Any pharmaceutical manufacturing company that fails to comply with these requirements will be liable to a penalty as follows: for the first offense, not less than \$200 nor more than \$5,000; and, for the second and each succeeding offense, not less than \$1,000 nor more than \$20,000.

Under the bill, "wholesale acquisition cost" means the pharmaceutical manufacturing company's list price for the pharmaceutical drug or biological product to wholesalers or direct purchasers in the United States for the most recent month for which the information is available, as reported in wholesale price guides or other publications of pharmaceutical drug or biological product pricing data, not including prompt pay or other discounts, rebates, or reductions in price.

COMMITTEE AMENDMENTS:

The committee amendments clarify that any additional disclaimers included by the State Board of Pharmacy on the prescription drug pricing website established under the bill are not to be inconsistent with State or federal law or regulations.

The committee amendments revise the reporting requirement for pharmaceutical manufacturers to provide that the required information is to be provided to the State Board of Pharmacy no later than 30 days after the end of each quarter of the calendar year, rather than by January 1, April 1, July 1, and October 1 of each calendar year.