

# HOUSE BILL REPORT

## HB 1399

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**As Reported by House Committee On:**  
Health Care

**Title:** An act relating to prescription drug marketing and disclosure.

**Brief Description:** Requiring the disclosure of gifts made by pharmaceutical manufacturers to persons who prescribe prescription drugs.

**Sponsors:** Representatives Clibborn, Campbell, Ruderman, Wallace, Moeller, Conway, McIntire, Benson, Sullivan, Kenney, Kessler, Schual-Berke, Kagi and Upthegrove; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:**

Health Care: 2/5/03, 2/13/03 [DPS].

**Brief Summary of Substitute Bill**

- Pharmaceutical manufacturers are required to report all gifts valued at more than \$25 that are provided to certain individuals and entities.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cody, Chair; Morrell, Vice Chair; Campbell, Clibborn, Darneille, Edwards, Moeller and Schual-Berke.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Pflug, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Alexander, Benson and Skinner.

**Staff:** Dave Knutson (786-7146).

**Background:**

Pharmaceutical manufacturers are not currently required to disclose or report gifts, grants, and gratuities provided to individuals and organizations who are authorized to prescribe, dispense, or purchase prescription drugs.

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**Summary of Substitute Bill:**

Pharmaceutical manufacturers are required to disclose to the Board of Pharmacy annually the value, nature, and purpose of gifts, fees, or payments made to any person or entity licensed under Title 18 RCW who is authorized to prescribe or dispense prescription drugs. The reporting requirement includes hospitals, health benefit plan administrators, group purchasing organizations or pharmacy benefit managers, and other entities authorized to purchase prescription drugs in Washington. Free samples of prescription drugs intended for patients and gifts or items valued at less than \$25 are exempt from the disclosure requirement. Every violation of the disclosure requirement is subject to a \$10,000 fine.

**Substitute Bill Compared to Original Bill:**

The definition of a pharmaceutical manufacturer is modified to exclude the pharmacy operations of an integrated delivery system providing services to enrollees.

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**Appropriation:** None.**Fiscal Note:** Available.**Effective Date of Substitute Bill:** The bill takes effect ninety days after adjournment of session in which bill is passed.**Testimony For:** This type of public disclosure should be provided to inform the public of the extent of this practice by pharmaceutical manufacturers.**Testimony Against:** Pharmaceutical manufacturers should not be singled out for this type of reporting requirement.**Testified:** (In support) Representative Clibborn, prime sponsor; Bill Daley, Office of the Insurance Commissioner; Luran Moughon, American Association of Retired Persons; and Rowland Thompson, Allied Daily Newspapers.

(Opposed) Cliff Webster, Pharmaceutical Research and Manufacturers of America.

(With amendment) Ken Bertrand, Group Health.