Hundredth Legislature - First Session - 2007
Committee Statement
LB 675

Hearing Date: February 7, 2007
Committee On: Health and Human Services

Introducer(s): (Lathrop)
Title: Require disclosures by pharmaceutical manufacturing companies

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

5	Yes	Senators Johnson, Erdman, Gay, Pankonin, Stuthman
2	No	Senators Hansen, Howard
	Present, not voting	
	Absent	

Proponents:	**Representing:**
Senator Lathrop	Introducer
Mark Intermill	AARP
Opponents:	**Representing:**
Gary Cheloha	Health and Human Services System
Tara Ryan	PhRMA
Neutral:	**Representing:**

Summary of purpose and/or changes:

LB 675 requires disclosures by pharmaceutical manufacturing companies. Annually, by December 1, every pharmaceutical manufacturing company must disclose to the Chief Administrative Officer (CAO) of the Nebraska Health and Human Services System "the value, nature, and purpose of any gift, fee, payment, subsidy, or other economic benefit provided in connection with detailing, promotional, or other marketing activities by the company, directly or through its pharmaceutical marketers, to any physician, hospital, nursing home, pharmacist, health benefit plan administrator, or any other person in Nebraska authorized to prescribe, dispense, or purchase prescription drugs in this state." Other details of the disclosure are prescribed. The CAO must annually report the disclosures to the Legislature and the Governor on or before April 1.

Every pharmaceutical manufacturing company must disclose to the CAO annually by October 1 the name and address of the individual responsible for meeting the company's disclosure requirements under the bill.

The bill provides for the identification of trade secrets by the manufacturer. The CAO is required to keep manufacturer trade secrets confidential. The CAO must notify the manufacturer of any request for information identified by the manufacturer as a trade secret. The manufacturer must respond within 30 days to either consent to the release or certify in writing its reasons for claiming the information as a trade secret. The requester of the information, if aggrieved by the manufacturer's response, may petition the district court of Lancaster County to invalidate the manufacturer's claim.

The following exemptions to the disclosure requirement are provided: (1) free prescription drug samples; (2) reasonable compensation and reimbursement of expenses in connection with bona fide clinical trials; (3) gifts, fees, payments, subsidies, or other economic benefits of less than $25 in value; (4) scholarship or other support for medical students, residents, and fellows to attend an 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 association; (5) unrestricted grants for continuing medical education programs; and (6) prescription drug rebates and discounts.

The Attorney General is empowered to bring an action in the district court of Lancaster County for injunctive relief, costs, attorney's fees, and civil penalty of no more than $10,000.

Explanation of amendments, if any:

Senator Joel Johnson, Chairperson