RULED OUT OF ORDER
FAUG 12 2019

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 361

AMENDMENT NO. _____
(to be filled in by Principal Clerk)

S361-ABC-93 [v.3]

Amends Title [YES]
Fifth Edition

Date August 12 ,2019

Representative Lofton

moves to amend the bill on page 1, lines 9-10, by rewriting the lines to read:
"TO TELEHEALTH SERVICES, PROMOTE PRESCRIPTION DRUG PRICE TRANSPARENCY, AND CREATE THE NORTH CAROLINA HEALTHCARE SOLUTIONS TASK FORCE.";

and on page 28, lines 21-22, by rewriting the lines to read:
"**PART X. PRESCRIPTION DRUG PRICE TRANSPARENCY**

SECTION 11.5.(a) Chapter 66 of the General Statutes is amended by adding a new Article to read:

"Article 48.
"Prescription Drug Transparency.

"**§ 66-460. Title.**

This Article shall be entitled "The Prescription Drug Transparency Act."

"**§ 66-461. Definitions.**

The following definitions apply in this Article:

(1) Interested parties. – State agencies that purchase prescription drugs or have employees who are prescribers, health insurance companies, health care service plan providers, and pharmacy benefit managers.

(2) Manufacturer. – An entity engaged in producing, preparing, propagating, compounding, processing, packaging, repackaging, or labeling a brand-name or generic drug, but does not include an entity that is engaged in the preparation and dispensing of a brand-name or generic drug pursuant to a prescription.

(3) Prescriber. – Any person authorized by State law to issue a prescription order.

(4) Prescription drug. – As defined in G.S 90-85.3(s).

(5) Prescription order. – As defined in G.S. 90-85.3(t).

(6) Secretary. – The Secretary of the North Carolina Department of Health and Human Services.

(7) Substantial price increase. – Any increase in the price charged by a manufacturer for a prescription drug that would have the impact of increasing a drug's cost by ten percent (10%) or more over 12 months.

"**§ 66-462. Required notifications and disclosures.**

(a) Price Increases. – A manufacturer shall notify all interested parties of an upcoming substantial price increase at least 60 days prior to the increase. Within 30 days of the notification required under this subsection, the manufacturer shall disclose the following to all interested parties:

(1) A justification for the proposed price increase. The manufacturer may limit the information in the justification to that which is publicly available.

(2) The previous year's marketing budget for the drug.

(3) The date and price of acquisition if the drug was not developed by the manufacturer.

(4) A schedule of price increases for the drug for the previous five years.

(b) New Products. – A manufacturer shall notify all interested parties of the price of any new prescription drug within three days after the manufacturer receives approval by the U.S. Food and Drug Administration. Within 30 days of the notification required under this subsection, the manufacturer shall disclose the following to all interested parties:

(1) A justification for the price. The manufacturer may limit the contents of the justification to publicly available information.

(2) The expected marketing budget for the drug.

(3) The date and price of acquisition if the drug was not developed by the manufacturer.

(c) Risk of Dependency. – If a manufacturer or an agent of the manufacturer meets or otherwise communicates with a prescriber for the purpose of marketing a prescription drug, the manufacturer or the manufacturer's agent shall disclose to the prescriber if any ingredient in the prescription drug it is marketing is known to pose a risk of dependency in humans.

"**§ 66-463. Penalty for failure to report.**

A manufacturer that fails to report the information required under G.S. 66-462(a) and (b) shall be fined by the Secretary the sum of one thousand dollars ($1,000) each day until the manufacturer submits the required information.

"**§ 66-464. No price limitations.**

Nothing in this Article shall be construed as a limitation upon the ability of a manufacturer to charge any price for a prescription drug permitted by law.

"**§ 66-465. Report and data collection by the Secretary; public portal.**

(a) Plan for Implementation. – The Secretary shall develop a plan to collect data from manufacturers related to the cost and pricing of prescription drugs in order to provide transparency in and accountability for prescription drug pricing. The Secretary shall consult with other state and national agencies and organizations to determine how to institute such data collection. The Secretary shall submit a plan regarding how to implement these requirements as well as any findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2020.

(b) Public Portal. – The Secretary shall also implement an online portal to provide the public with electronic access to the notifications, reports, and other disclosures required by this Article.

(c) Annual Report. – Beginning December 1, 2020, and annually thereafter, the Secretary shall report to the Joint Legislative Oversight Committee on Health and Human Services the following information about prescription drugs:

(1) The 25 most frequently prescribed drugs in the State.

(2) The 25 costliest drugs as determined by the total amount spent on those drugs in the State.

(3) The 25 prescription drugs with the highest year-over-year cost increases as determined by the total amount spent on those drugs in the State."

SECTION 11.5.(b) This section becomes effective October 1, 2019.

PART XI. SEVERABILITY CLAUSE AND EFFECTIVE DATE".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA HOUSE OF REPRESENTATIVES

SEQ. # 753
LEGISLATIVE DAY 111
SB 361 HCS 2
Third Reading
KRAWIEC

August 12, 2019
7:08 PM
IN CHAIR: Speaker
3/5 Present and Voting - FAILED

ROLL CALL

Motion 12 / Appeal Ruling of the Chair
Healthy NC.

AYE - 51

Adcock	Cunningham	Holley	Morey
Ager	Dahle	Hunt	Pierce
Autry	Everitt	Hunter	Quick
Ball	Farmer-Butterfield	Insko	Reives
Batch	Fisher	Jackson	Russell
Beasley	Floyd	John	Smith, K.
Belk	Gailliard	Lofton	Smith, R.
Black	Garrison	Logan	Terry
Brewer	Gill	Lucas	Turner, B.
Butler	Graham	Majeed	von Haefen
Carney	Harris	Martin	Willingham
Clark	Harrison	Meyer	Wray
Clemmons	Hawkins	Montgomery	

NO - 58

Speaker*	Dixon	Iler	Ross
Adams	Dobson	Jarvis	Sasser
Arp	Elmore	Johnson, J.	Sauls
Barnes	Faircloth	Johnson, L.	Setzer
Bell	Fraley	Jones	Smith, C.
Blackwell	Goodwin	Kidwell	Speciale
Boles	Grange	Lambeth	Stevens
Brisson	Hall, D.	McElraft	Strickland
Brody	Hall, K.	McNeely	Szoka
Bumgardner	Hanig	McNeill	Torbett
Carter	Hardister	Pittman	Warren
Cleveland	Hastings	Potts	White
Conrad	Howard	Presnell	Yarborough
Corbin	Humphrey	Rogers	Zachary
Davis	Hurley		

EXCUSED ABSENCE - 8

Brockman	McGrady	Queen	Riddell
Horn	Murphy	Richardson	Saine

EXCUSED VOTE - 0

NOT VOTING - 3

Alexander	Lewis	Shepard

* Vote adjusted by Clerk

James White, Principal Clerk