

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 196
Finance

(Senator Kelley)

Pharmaceutical Manufacturers - Disclosure of Payments to Physicians

This bill requires pharmaceutical manufacturers to disclose to the Maryland Health Care Commission (MHCC) all payments made to licensed physicians in the State for speeches, consulting, or conducting research. At least once a year, the commission must publish on its web site the disclosed information, sortable by the physician's last name and pharmaceutical manufacturer. The commission must adopt regulations to implement the bill by June 1, 2010.

Fiscal Summary

State Effect: The requirement to organize and post all payments made to licensed physicians is not absorbable within existing MHCC resources. Instead, special fund expenditures increase minimally beginning in FY 2010 for contractual staff to support data gathering and web site design. Special fund revenues from user fees also increase minimally to match expenditures to cover ongoing MHCC operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: State law does not address the disclosure of payment information from pharmaceutical manufacturers to physicians.

Background: MHCC develops and carries out new health policies, including developing a database on all nonhospital health care services; developing the comprehensive

standard health benefit plan for small employers; monitoring the fiscal impact of State mandated benefits; developing quality and performance measures for health maintenance organizations, hospitals, ambulatory care facilities, and nursing homes; overseeing electronic claims clearinghouses; directing and administering State health planning functions to produce the State Health Plan for Facilities and Services; and conducting the Certificate of Need Program for regulated entities.

MHCC is special funded by user fees imposed on payors and providers. Fees are used exclusively to cover the costs of fulfilling the statutory and regulatory duties of the commission.

Some studies have shown that manufacturer payments can influence physicians' prescribing habits. Minnesota, Vermont, West Virginia, Massachusetts, Maine, and the District of Columbia have all enacted laws regarding the disclosure of pharmaceutical manufacturer payments to physicians, though the laws vary from state to state. At the federal level, Senator Charles Grassley introduced a bill in the 110th Congress, and again in the 111th, that would require such payment disclosure nationwide.

In 2008, two large pharmaceutical companies announced plans to post payments made to "outside" physicians for speaking and consulting services online; a third large company announced similar plans in February 2009.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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Analysis by: Sarah K. Volker

Direct Inquiries to:
(410) 946-5510
(301) 970-5510