

SENATE BILL 857

J2, J3

6lr0568
CF 6lr3528

By: **Senators Kelley, Astle, Benson, Currie, Feldman, Gladden, Klausmeier,
Madaleno, McFadden, Nathan-Pulliam, Peters, and Rosapepe**

Introduced and read first time: February 5, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Commission – Hospital and Physician Financial**
3 **Arrangement Disclosure – Requirements**

4 FOR the purpose of requiring each hospital and each physician that has a financial
5 arrangement with a pharmaceutical manufacturer or a surgical hardware
6 manufacturer to file a certain disclosure form with the Maryland Health Care
7 Commission within a certain period of time; requiring the Commission to establish
8 a certain database; authorizing the Commission to impose a certain fine under
9 certain circumstances; requiring the Commission to adopt certain regulations;
10 defining certain terms; providing for the application of this Act; and generally
11 relating to requirements for hospital and physician financial arrangement
12 disclosures and the Maryland Health Care Commission.

13 BY adding to

14 Article – Health – General
15 Section 19–112
16 Annotated Code of Maryland
17 (2015 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Health – General**

21 **19–112.**

22 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
23 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) (I) “FINANCIAL ARRANGEMENT” MEANS AN AGREEMENT FOR**
2 **THE PROVISION OR PAYMENT OF ANYTHING OF VALUE IN EXCHANGE FOR THE**
3 **PROMOTION OR PURCHASE OF ITEMS OR SERVICES.**

4 **(II) “FINANCIAL ARRANGEMENT” INCLUDES:**

- 5 1. **A SPEAKING AGREEMENT;**
- 6 2. **A CONSULTING AGREEMENT;**
- 7 3. **A PHYSICIAN OWNERSHIP AGREEMENT;**
- 8 4. **AN AGREEMENT FOR STOCK OPTIONS;**
- 9 5. **AN AGREEMENT FOR A RESEARCH GRANT OR**
10 **CLINICAL TRIAL;**
- 11 6. **A ROYALTY AGREEMENT;**
- 12 7. **AN AGREEMENT FOR A FELLOWSHIP;**
- 13 8. **AN AGREEMENT FOR CONFERENCE ATTENDANCE;**
14 **AND**
- 15 9. **AN EXCLUSIVE PRODUCT LOYALTY AGREEMENT.**

16 **(3) “HOSPITAL” HAS THE MEANING STATED IN § 19–301 OF THIS**
17 **TITLE.**

18 **(4) “PHYSICIAN” MEANS AN INDIVIDUAL LICENSED TO PRACTICE**
19 **MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE.**

20 **(B) EACH HOSPITAL THAT AND EACH PHYSICIAN WHO HAS A FINANCIAL**
21 **ARRANGEMENT WITH A PHARMACEUTICAL MANUFACTURER OR A SURGICAL**
22 **HARDWARE MANUFACTURER SHALL FILE WITH THE COMMISSION A FINANCIAL**
23 **DISCLOSURE FORM REQUIRED BY THE COMMISSION WITHIN 90 DAYS AFTER THE**
24 **DATE THE FINANCIAL AGREEMENT IS FINALIZED.**

25 **(C) THE COMMISSION SHALL ESTABLISH A SEARCHABLE DATABASE TO**
26 **COMPILE THE FINANCIAL DISCLOSURE FORMS FILED BY HOSPITALS AND**
27 **PHYSICIANS UNDER SUBSECTION (B) OF THIS SECTION.**

1 **(D) IF A HOSPITAL OR PHYSICIAN WILLFULLY FAILS TO FILE A FINANCIAL**
2 **DISCLOSURE FORM AS REQUIRED BY SUBSECTION (B) OF THIS SECTION, THE**
3 **COMMISSION MAY IMPOSE A FINE NOT TO EXCEED \$1,000 PER VIOLATION.**

4 **(E) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS**
5 **SECTION.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
7 apply only prospectively and may not be applied or interpreted to have any effect on or
8 application to any financial arrangement finalized before the effective date of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2016.