

# HOUSE BILL 591

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3lr2041  
CF 3lr2689

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By: **Delegate Morhaim**

Introduced and read first time: January 31, 2013

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Board of Pharmacy – Wholesale Distribution – Pharmacies**

3 FOR the purpose of limiting the authority of a pharmacy permit holder to engage in  
4 wholesale distribution; altering certain definitions; and generally relating to  
5 wholesale distribution and pharmacies.

6 BY repealing and reenacting, with amendments,  
7 Article – Health Occupations  
8 Section 12–406 and 12–6C–01(i) and (v)  
9 Annotated Code of Maryland  
10 (2009 Replacement Volume and 2012 Supplement)

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

13 **Article – Health Occupations**

14 12–406.

15 (A) A pharmacy permit authorizes the pharmacy permit holder to establish  
16 and operate the pharmacy while the pharmacy permit is effective.

17 (B) **A PHARMACY PERMIT HOLDER MAY ENGAGE IN WHOLESALE**  
18 **DISTRIBUTION ONLY WITH ANOTHER PHARMACY PERMIT HOLDER.**

19 12–6C–01.

20 (i) “Intracompany sales” means a:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (1) Transaction or transfer of prescription drugs between a division,  
2 subsidiary, parent, or affiliated or related company under common ownership and  
3 control of a corporate entity, **OTHER THAN A TRANSACTION OR TRANSFER OF**  
4 **PRESCRIPTION DRUGS FROM A PHARMACY TO A WHOLESALE DISTRIBUTOR**; or

5           (2) Transaction or transfer of a co-licensed product between  
6 co-licensed partners.

7           (v) (1) “Wholesale distributor” means a person that is engaged in the  
8 wholesale distribution of prescription drugs or prescription devices.

9           (2) “Wholesale distributor” includes:

10                   (i) A manufacturer;

11                   (ii) A repackager;

12                   (iii) An own-label distributor;

13                   (iv) A private-label distributor;

14                   (v) A jobber;

15                   (vi) A broker;

16                   (vii) A warehouse, including a manufacturer’s or distributor’s  
17 warehouse;

18                   (viii) A manufacturer’s exclusive distributor or an authorized  
19 distributor of record;

20                   (ix) A drug wholesaler or distributor;

21                   (x) An independent wholesale drug trader;

22                   (xi) A third party logistics provider;

23                   (xii) A [retail] pharmacy that conducts wholesale distribution, if  
24 the wholesale distribution business accounts for more than 5% of the [retail]  
25 pharmacy’s annual sales; and

26                   (xiii) A pharmacy warehouse that conducts wholesale  
27 distribution.

28           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2013.