

# HOUSE BILL 696

J2, J1

9lr1796  
CF SB 430

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By: **Delegates Pena–Melnyk, Acevero, Beitzel, Healey, Hettleman, Kaiser, Kipke, Lehman, R. Lewis, Lierman, McIntosh, Moon, Palakovich Carr, Terrasa, Valderrama, C. Watson, and K. Young**

Introduced and read first time: February 7, 2019

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Commission – Authorized Prescribers – Reporting of**  
3 **Financial Gratuities or Incentives**

4 FOR the purpose of requiring each authorized prescriber who receives a financial gratuity  
5 or incentive from a pharmaceutical distributor or manufacturer to file a certain  
6 disclosure form with the Maryland Health Care Commission within a certain period  
7 of time; authorizing the Commission to impose a certain fine under certain  
8 circumstances; requiring the Commission to adopt certain regulations; defining  
9 certain terms; providing for the application of this Act; and generally relating to  
10 disclosures by authorized prescribers filed with the Maryland Health Care  
11 Commission.

12 BY adding to

13 Article – Health – General

14 Section 19–112

15 Annotated Code of Maryland

16 (2015 Replacement Volume and 2018 Supplement)

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

19 **Article – Health – General**

20 **19–112.**

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2) “AUTHORIZED PRESCRIBER” MEANS ANY LICENSED DENTIST,**  
2 **LICENSED PHYSICIAN, LICENSED PODIATRIST, ADVANCED PRACTICE NURSE WITH**  
3 **PRESCRIPTIVE AUTHORITY UNDER § 8-508 OF THE HEALTH OCCUPATIONS**  
4 **ARTICLE, OR ANY OTHER INDIVIDUAL AUTHORIZED BY LAW TO PRESCRIBE**  
5 **PRESCRIPTION OR NONPRESCRIPTION DRUGS OR DEVICES.**

6           **(3) (I) “FINANCIAL GRATUITY OR INCENTIVE” MEANS THE**  
7 **PROVISION OR PAYMENT OF ANYTHING OF VALUE IN EXCHANGE FOR THE**  
8 **PROMOTION OR PURCHASE OF PRODUCTS OR SERVICES.**

9                   **(II) “FINANCIAL GRATUITY OR INCENTIVE” INCLUDES:**

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

22           **(B) EACH AUTHORIZED PRESCRIBER WHO RECEIVES A FINANCIAL**  
23 **GRATUITY OR INCENTIVE FROM A PHARMACEUTICAL DISTRIBUTOR OR**  
24 **MANUFACTURER SHALL FILE WITH THE COMMISSION A FINANCIAL DISCLOSURE**  
25 **FORM REQUIRED BY THE COMMISSION WITHIN 30 DAYS AFTER THE DATE THE**  
26 **FINANCIAL GRATUITY OR INCENTIVE IS RECEIVED BY THE AUTHORIZED**  
27 **PRESCRIBER.**

28           **(C) IF AN AUTHORIZED PRESCRIBER WILLFULLY FAILS TO FILE A**  
29 **FINANCIAL DISCLOSURE FORM AS REQUIRED BY SUBSECTION (B) OF THIS SECTION,**

1 THE COMMISSION MAY IMPOSE A FINE NOT TO EXCEED \$1,000 PER VIOLATION.

2 (D) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS  
3 SECTION.

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

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2019.