

FEB 20 2002
HUMAN RESOURCES

HOUSE FILE 2464
BY TREMMEL

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the prohibition of prescription drug price
2 discrimination and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2464

1 Section 1. NEW SECTION. 155A.40 PRESCRIPTION DRUG PRICE
2 DISCRIMINATION -- PROHIBITED -- PENALTIES.

3 1. For the purposes of this section:

4 a. "Retailer" means a person who engages primarily in
5 selling prescription drugs to an ultimate user.

6 b. "Ultimate user" means a person who has lawfully
7 obtained and possesses a prescription drug for the person's
8 own use or for the use of a member of the person's household.

9 c. "Wholesaler" means a person operating or maintaining a
10 manufacturing plant, wholesale distribution center, wholesale
11 business, or any other business in which prescription drugs
12 are sold, manufactured, compounded, dispensed, stocked,
13 exposed, or offered for sale to a retailer within this state.

14 2. A wholesaler shall offer prescription drugs, from the
15 list of therapeutically equivalent drugs published by the food
16 and drug administration of the United States department of
17 health and human services, to every retailer in this state,
18 with all rights and privileges offered or provided by the
19 wholesaler to the most favored retailer, including purchase
20 prices for similar volume purchases, rebates, free
21 merchandise, samples, and similar trade concessions. This
22 section shall not be interpreted to prohibit the provision of
23 a discount for volume purchases.

24 3. A retailer may bring a civil action to recover damages
25 against a wholesaler who violates this section. A wholesaler
26 who violates this section is liable to a retailer in the
27 amount of treble damages.

28 4. A wholesaler who violates this section is subject to
29 the provisions of section 155A.5 relating to an injunction for
30 violation of this chapter.

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EXPLANATION

32 This bill requires wholesalers of prescription drugs to
33 offer prescription drugs to every retailer in Iowa with all
34 rights and privileges offered or provided by the wholesaler to
35 the most favored retailer. The bill provides that a retailer

1 may bring a civil action for damages against a wholesaler who
2 violates the bill, a wholesaler is subject to treble damages
3 for violation of the bill, and a wholesaler who violates the
4 bill is also subject to injunctive remedies provided under the
5 pharmacy chapter.

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