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**REPORTS:** No

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**NEWSPAPER ARTICLES:** Yes

"State registry to list Rx cost," 8-222006 The Times, pA1

"A new tool to search for cheapest medicine," 8-22-2005 Star Ledger, p 9

"Registry set to take bite out of drug costs," 8-22-2006 Asbury Park Press, pA1

"Web site for drug costs gets go-ahead," 8-22-2006 Philadelphia Inquirer, pB4

"Corzine approves drug cost Web site," 8-2202006 p.1A

RWH 3/12/08

§§1,2 -  
C.45:14-81 &  
45:14-82  
§3 - Note to §§1,2  
§4 - Note to §§1-3

P.L. 2006, CHAPTER 84, *approved August 21, 2006*  
Assembly Committee Substitute (*Second Reprint*)  
for Assembly, Nos. 2537 and 2656

1 AN ACT establishing the "New Jersey Prescription Drug Retail  
2 Price Registry" and supplementing <sup>2</sup>**[Titles 26 and]** Title<sup>2</sup> 45 of  
3 the Revised Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. a. There is established the "New Jersey Prescription Drug  
9 Retail Price Registry" in the <sup>2</sup>Division of Consumer Affairs in the<sup>2</sup>  
10 Department of <sup>2</sup>**[Health and Senior Services]** Law and Public  
11 Safety<sup>2</sup> for the purpose of making retail price information for the  
12 150 most frequently prescribed prescription drugs in the State  
13 readily available to consumers.

14 (1) <sup>1</sup>For the purpose of establishing the registry, the  
15 <sup>2</sup>**[Commissioner of]** Director of the Division of Consumer Affairs,  
16 in consultation with the Commissioners of Human Services and<sup>2</sup>  
17 Health and Senior Services <sup>2</sup>[in consultation with the  
18 Commissioner of Human Services]<sup>2</sup>, shall obtain drug retail price  
19 information for these prescription drugs, which indicates the actual  
20 price to be paid to a pharmacy by a retail purchaser for a listed drug  
21 at the listed dosage, from <sup>2</sup>**[relevant]**<sup>2</sup> data collected by the  
22 Division of Medical Assistance and Health Services in the  
23 Department of Human Services <sup>2</sup>that includes the charge for the  
24 cost of the medication and the dispensing fee, and does not exceed  
25 the usual and customary or posted or advertised charge by the  
26 pharmacy<sup>2</sup>. The establishment of the registry shall be subject to  
27 any federal approval that may be required to effectuate the purposes  
28 of this act and shall conform with any requirements of State or  
29 federal law regarding the confidentiality and use of the information  
30 contained therein.

31 (2)<sup>1</sup> The registry shall include <sup>1</sup>the<sup>1</sup> information <sup>1</sup>**[from drug**  
32 **retail price lists reported to]** obtained by<sup>1</sup> the <sup>2</sup>**[commissioner]**<sup>2</sup>  
33 <sup>1</sup>**[by pharmacies]**<sup>1</sup> <sup>2</sup>director<sup>2</sup> pursuant to <sup>1</sup>**[section 2 of**  
34 **P.L. , c. (C. ) (pending before the Legislature as this bill)]**  
35 paragraph (1) of this subsection<sup>1</sup>, and shall be updated by the  
36 <sup>2</sup>**[department]** division<sup>2</sup> at least weekly to reflect the most current

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly ABU committee amendments adopted June 1, 2006.

<sup>2</sup> Senate SBA committee amendments adopted June 19, 2006.

1 information <sup>1</sup>**[reported to]** obtained by<sup>1</sup> the <sup>2</sup>**[commissioner]**<sup>2</sup>  
2 <sup>1</sup>**[by pharmacies]**<sup>1</sup> director<sup>2</sup>.

3 <sup>1</sup>**[(2)] (3)**<sup>1</sup> The registry shall be organized by the  
4 <sup>2</sup>**[commissioner]** director<sup>2</sup> in a format that is conducive to review  
5 and comparison by consumers of prescription drug retail prices  
6 charged by pharmacies in each zip code within the State, and shall  
7 include the name and address of each pharmacy.

8 <sup>2</sup>**[(4) The commissioner, upon establishing the registry and**  
9 whenever updating the information contained therein, shall  
10 electronically transmit to each pharmacy the information in the  
11 registry applicable to that pharmacy, including the date of the  
12 update, which the pharmacy shall use to create and update its own  
13 drug retail price list pursuant to subsection b. of section 2 of P.L. .,  
14 c. (C. ) (pending before the Legislature as this bill).<sup>1</sup><sup>2</sup>

15 b. The <sup>2</sup>**[Department of Health and Senior Services]** division<sup>2</sup>  
16 shall make available electronically on its Internet website in English  
17 and Spanish the information contained in the registry, and shall  
18 <sup>2</sup>**[make copies of]** provide<sup>2</sup> the information <sup>2</sup>**[available]**<sup>2</sup> to  
19 consumers upon request by means of a toll-free telephone service  
20 operated by the <sup>2</sup>**[department]** division<sup>2</sup>.

21 The information made available on the Internet website shall:

22 (1) be organized to meet the requirements of paragraph <sup>1</sup>**[(2)]**  
23 **(3)**<sup>1</sup> of subsection a. of this section and be designed so that the  
24 consumer may download and print the displayed information;

25 (2) include Internet web links to other governmental information  
26 resources that provide information relating to the regulation of  
27 prescription drugs and State and federal health care coverage and  
28 pharmaceutical assistance programs; <sup>1</sup>**[and]**<sup>1</sup>

29 (3) <sup>1</sup>include an advisory statement by the <sup>2</sup>**[department]**  
30 division<sup>2</sup> alerting consumers of the need to tell their health care  
31 practitioner and pharmacist about all the medications they may be  
32 taking and to ask them how to avoid harmful interactions between  
33 those drugs, if any; and

34 (4)<sup>1</sup> contain clearly understandable language that is designed to  
35 assist consumers in understanding the content of, and how to  
36 access, the information made available on the website pursuant to  
37 this section.

38 c. <sup>1</sup>The <sup>2</sup>**[Commissioner of Health and Senior Services]**  
39 director<sup>2</sup> may require each pharmacy practice site in the State to  
40 furnish to the <sup>2</sup>**[commissioner]** director<sup>2</sup> such information as the  
41 <sup>2</sup>**[commissioner]** director<sup>2</sup> deems necessary to effectuate the  
42 provisions of this section.

43 d.<sup>1</sup> The <sup>2</sup>**[Commissioner of Health and Senior Services,**  
44 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
45 (C.52:14B-1 et seq.) and in consultation with the New Jersey State  
46 Board of Pharmacy, shall adopt rules and regulations to effectuate  
47 the purposes of this section] division may contract with a public or

1 private entity for the purpose of developing, administering, and  
2 maintaining the registry established pursuant to this section. The  
3 contract shall specify the duties and responsibilities of the entity  
4 with respect to the development, administration, and maintenance of  
5 the registry. The division shall monitor the work of the entity to  
6 ensure that the registry is developed, administered, and maintained  
7 pursuant to the requirements of this act<sup>2</sup>.

8 2. a. The <sup>2</sup>**【New Jersey State Board of Pharmacy】** Director of  
9 the Division of Consumer Affairs<sup>2</sup> shall prepare at least annually,  
10 and shall make available <sup>2</sup>**【in both printed and electronic form】**<sup>2</sup> to  
11 each pharmacy practice site in the State without charge, a list of the  
12 150 most frequently prescribed prescription drugs that includes the  
13 usual dosages prescribed for each drug.

14 b. Each pharmacy practice site in the State shall <sup>1</sup>**【compile】**  
15 maintain<sup>1</sup> a <sup>1</sup>prescription<sup>1</sup> drug retail price list, which contains the  
16 names of the drugs on the list provided by the <sup>2</sup>**【board】** division<sup>2</sup>  
17 pursuant to subsection a. of this section and the retail price for each  
18 drug on the list charged at that pharmacy practice site, <sup>1</sup>including  
19 the date of the update of the retail price list,<sup>1</sup> and shall make the  
20 <sup>1</sup>prescription<sup>1</sup> drug retail price list available to customers upon  
21 request. <sup>2</sup>**【**<sup>1</sup>The list shall be made available by means of electronic  
22 display of this information, through website posting, at or near the  
23 point of sale at the pharmacy practice site, and shall include the date  
24 on which the information was most recently updated.<sup>1</sup><sup>2</sup>

25 (1) The <sup>1</sup>prescription<sup>1</sup> drug retail price list shall include <sup>1</sup>**【**<sup>1</sup>a  
26 notice that states as follows: "Consult your pharmacist for the  
27 selection of the most economical drug product available to fill your  
28 prescription."】 an advisory statement prepared by the  
29 <sup>2</sup>**【department】** division<sup>2</sup> alerting consumers of the need to tell their  
30 health care practitioner and pharmacist about all the medications  
31 that they may be taking and to ask them how to avoid harmful  
32 interactions between those drugs, if any.<sup>1</sup>

33 (2) The pharmacy practice site shall post a sign that notifies  
34 customers of the availability of the drug retail price list in a  
35 conspicuous location that is: at or adjacent to the place where  
36 prescriptions are presented for compounding and dispensing; in the  
37 waiting area for customers; or in the area where prescribed drugs  
38 are delivered.

39 <sup>1</sup>**【**(3) The pharmacy practice site shall report to the  
40 Commissioner of Health and Senior Services, on a form and in a  
41 manner and according to a schedule established by the  
42 commissioner, the information included in its drug retail price list.  
43 The pharmacy practice site shall update the information that it  
44 reports to the commissioner at least weekly.<sup>1</sup>**】**<sup>1</sup>

45 c. The provisions of this section shall not be construed to  
46 prevent a pharmacy practice site from changing or charging the  
47 current retail price at any time, provided that the listed price is

1 updated at least weekly to reflect the new retail price.

2 <sup>2</sup>[d. As used in this section, "retail price" means the actual price  
3 to be paid by a retail purchaser to a pharmacy for a drug on the  
4 retail price list at the listed dosage.

5 e. The New Jersey State Board of Pharmacy, pursuant to the  
6 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
7 seq.) and in consultation with the Commissioner of Health and  
8 Senior Services, shall adopt rules and regulations to effectuate the  
9 purposes of this section.]<sup>2</sup>

10

11 <sup>2</sup>3. The Director of the Division of Consumer Affairs, pursuant  
12 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
13 1 et seq.), shall adopt rules and regulations to effectuate the  
14 purposes of this act.<sup>2</sup>

15

16 <sup>2</sup>[3.] <sup>2</sup>4. <sup>2</sup>This act shall take effect on the <sup>2</sup>[180th] <sup>2</sup>first<sup>2</sup> day <sup>2</sup>of  
17 the thirteenth month<sup>2</sup> after enactment, but the <sup>2</sup>[Commissioner of  
18 Health and Senior Services and the New Jersey State Board of  
19 Pharmacy] Director of the Division of Consumer Affairs<sup>2</sup> may take  
20 such anticipatory administrative action in advance as shall be  
21 necessary for the implementation of the act.

22

23

24

25

26 Establishes New Jersey Prescription Drug Retail Price Registry  
27 in Division of Consumer Affairs.

# ASSEMBLY, No. 2537

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED FEBRUARY 23, 2006

**Sponsored by:**

**Assemblywoman LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington and Camden)**

**SYNOPSIS**

Establishes New Jersey Prescription Drug Retail Price Registry in DHSS; requires pharmacies to compile drug retail price lists.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 2/24/2006)**

1 AN ACT establishing the "New Jersey Prescription Drug Retail  
2 Price Registry" and supplementing Titles 26 and 45 of the  
3 Revised Statutes.

4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7

8 1. a. There is established the "New Jersey Prescription Drug  
9 Retail Price Registry" in the Department of Health and Senior  
10 Services for the purpose of making retail price information for the  
11 150 most frequently prescribed prescription drugs in the State  
12 readily available to consumers.

13 (1) The registry shall include information from drug retail price  
14 lists reported to the commissioner by pharmacies pursuant to  
15 section 2 of P.L. , c. (C. )(pending before the Legislature as this  
16 bill), and shall be updated by the department at least weekly to  
17 reflect the most current information reported to the commissioner  
18 by pharmacies.

19 (2) The registry shall be organized by the commissioner in a  
20 format that is conducive to review and comparison by consumers of  
21 prescription drug retail prices charged by pharmacies in each zip  
22 code within the State, both for selected drugs that are included in  
23 the registry and for the entire list of such drugs, and shall include  
24 the name and address of each pharmacy.

25 b. The Commissioner of Health and Senior Services shall make  
26 available electronically on its Internet website in English and  
27 Spanish the information contained in the registry, and shall make  
28 copies of the information available to consumers upon request by  
29 means of a toll-free telephone service operated by the department.

30 The information made available on the Internet website shall:

31 (1) be organized to meet the requirements of paragraph (2) of  
32 subsection a. of this section and be designed so that the consumer  
33 may download and print the displayed information;

34 (2) include Internet web links to other governmental information  
35 resources that provide information relating to the regulation of  
36 prescription drugs and State and federal health care coverage and  
37 pharmaceutical assistance programs; and

38 (3) contain clearly understandable language that is designed to  
39 assist consumers in understanding the content of, and how to  
40 access, the information made available on the website pursuant to  
41 this section.

42 c. The Commissioner of Health and Senior Services, pursuant to  
43 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
44 seq.) and in consultation with the New Jersey State Board of  
45 Pharmacy, shall adopt rules and regulations to effectuate the  
46 purposes of this section.

47

48 2. a. The New Jersey State Board of Pharmacy shall prepare at



1 least annually, and shall make available in both printed and  
2 electronic form to each pharmacy practice site in the State without  
3 charge, a list of the 150 most frequently prescribed prescription  
4 drugs that includes the usual dosages prescribed for each drug.

5 b. Each pharmacy practice site in the State shall compile a drug  
6 retail price list, which contains the names of the drugs on the list  
7 provided by the board pursuant to subsection a. of this section and  
8 the retail price for each drug on the list charged at that pharmacy  
9 practice site, and shall make the drug retail price list available to  
10 customers upon request.

11 (1) The drug retail price list shall include a notice that states as  
12 follows: "Consult your pharmacist for the selection of the most  
13 economical drug product available to fill your prescription."

14 (2) The pharmacy practice site shall post a sign that notifies  
15 customers of the availability of the drug retail price list in a  
16 conspicuous location that is: at or adjacent to the place where  
17 prescriptions are presented for compounding and dispensing; in the  
18 waiting area for customers; or in the area where prescribed drugs  
19 are delivered.

20 (3) The pharmacy practice site shall report to the Commissioner  
21 of Health and Senior Services, on a form and in a manner and  
22 according to a schedule established by the commissioner, the  
23 information included in its drug retail price list. The pharmacy  
24 practice site shall update the information that it reports to the  
25 commissioner at least weekly.

26 c. The provisions of this section shall not be construed to  
27 prevent a pharmacy practice site from changing or charging the  
28 current retail price at any time, provided that the listed price is  
29 updated at least weekly to reflect the new retail price.

30 d. As used in this section, "retail price" means the actual price to  
31 be paid by a retail purchaser to a pharmacy for a drug on the retail  
32 price list at the listed dosage.

33 e. The New Jersey State Board of Pharmacy, pursuant to the  
34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
35 seq.) and in consultation with the Commissioner of Health and  
36 Senior Services, shall adopt rules and regulations to effectuate the  
37 purposes of this section.

38  
39 3. This act shall take effect on the 180th day after enactment,  
40 but the Commissioner of Health and Senior Services and the New  
41 Jersey State Board of Pharmacy may take such anticipatory  
42 administrative action in advance as shall be necessary for the  
43 implementation of the act.

44  
45

46 STATEMENT

47  
48

This bill establishes the "New Jersey Prescription Drug Retail

1 Price Registry" in the Department of Health and Senior Services  
2 (DHSS) for the purpose of making retail price information for the  
3 150 most frequently prescribed prescription drugs readily available  
4 to New Jersey consumers.

5 The bill provides as follows:

6 • The registry is to include information from drug retail price lists  
7 reported to the commissioner by pharmacies pursuant to the bill,  
8 and is to be:

9 -- updated by DHSS at least weekly to reflect the most current  
10 information reported to the commissioner by pharmacies and:

11 -- organized by the Commissioner of Health and Senior Services  
12 in a format that is conducive to review and comparison by  
13 consumers of retail prescription drug prices charged by pharmacies  
14 in each zip code within the State, both for selected drugs that are  
15 included in the registry and for the entire list of such drugs, and  
16 shall include the name and address of each pharmacy.

17 • The commissioner is to: make available electronically on the  
18 DHSS Internet website, in English and Spanish, the information  
19 contained in the registry, and make copies of the information  
20 available to consumers upon request by means of a toll-free  
21 telephone service operated by DHSS.

22 • The information made available on the Internet website is to:

23 -- be organized to meet the requirements of the bill regarding the  
24 organization and contents of the registry and be designed so that the  
25 consumer may download and print the displayed information;

26 -- include Internet web links to other governmental information  
27 resources that provide information relating to the regulation of  
28 prescription drugs and State and federal health care coverage and  
29 pharmaceutical assistance programs; and

30 -- contain clearly understandable language that is designed to  
31 assist consumers in understanding the content of, and how to  
32 access, the information made available on the website pursuant to  
33 this section.

34 • The State Board of Pharmacy is to prepare at least annually, and  
35 to make available in both printed and electronic form to each  
36 pharmacy practice site in the State without charge, a list of the  
37 150 most frequently prescribed prescription drugs that includes  
38 the usual dosages prescribed for each drug.

39 • Each pharmacy practice site in the State is to compile a drug  
40 retail price list, which contains the names of the drugs on the list  
41 provided by the State Board of Pharmacy and the retail price for  
42 each drug on the list charged at that pharmacy practice site, and to  
43 make the drug retail price list available to customers upon  
44 request.

45 • The drug retail price list is to include a notice that states as  
46 follows: "Consult your pharmacist for the selection of the most  
47 economical drug product available to fill your prescription."

48 • The pharmacy practice site is to post a sign that notifies

- 1 customers of the availability of the drug retail price list in a  
2 conspicuous location that is: at or adjacent to the place where  
3 prescriptions are presented for compounding and dispensing; in  
4 the waiting area for customers; or in the area where prescribed  
5 drugs are delivered.
- 6 • The pharmacy practice site is to report to the Commissioner of  
7 Health and Senior Services, on a form and in a manner and  
8 according to a schedule established by the commissioner, the  
9 information included in its drug retail price list. The pharmacy  
10 practice site is to update the information that it reports to the  
11 commissioner at least weekly.
  - 12 • The provisions of the bill are not to be construed to prevent a  
13 pharmacy practice site from changing or charging the current  
14 retail price at any time, provided that the listed price is updated at  
15 least weekly to reflect the new retail price.
  - 16 • As used in the bill, "retail price" means the actual price to be paid  
17 by a retail purchaser to a pharmacy for a drug on the retail price  
18 list at the listed dosage.
  - 19 • The bill takes effect on the 180th day after enactment, but  
20 authorizes the Commissioner of Health and Senior Services and  
21 the State Board of Pharmacy to take anticipatory administrative  
22 action in advance as necessary for its implementation.

[Corrected Copy]

**ASSEMBLY, No. 2656**

**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

INTRODUCED FEBRUARY 23, 2006

**Sponsored by:**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblyman PETER J. BARNES, JR.**

**District 18 (Middlesex)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

**Assemblywoman Stender, Assemblymen Chivukula, Manzo and Gordon**

**SYNOPSIS**

Establishes New Jersey Prescription Drug Retail Price Registry in DHSS; requires pharmacies to compile drug retail price lists.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/16/2006)**

1 AN ACT establishing the "New Jersey Prescription Drug Retail  
2 Price Registry" and supplementing Titles 26 and 45 of the  
3 Revised Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. a. There is established the "New Jersey Prescription Drug  
9 Retail Price Registry" in the Department of Health and Senior  
10 Services for the purpose of making retail price information for the  
11 150 most frequently prescribed prescription drugs in the State  
12 readily available to consumers. The registry shall include  
13 information from drug retail price lists reported to the  
14 commissioner by pharmacies pursuant to section 2 of P.L. , c.  
15 (C. )(pending before the Legislature as this bill), and shall be  
16 organized by the commissioner in a format that is conducive to  
17 review and comparison by consumers of prescription drug retail  
18 prices charged by pharmacies within the various geographic regions  
19 of the State.

20 b. The Commissioner of Health and Senior Services shall make  
21 available electronically on its Internet website in English and  
22 Spanish the information contained in the registry, and shall make  
23 copies of the information available to consumers upon request by  
24 means of a toll-free telephone service operated by the department.

25 c. The Commissioner of Health and Senior Services, pursuant to  
26 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
27 seq.) and in consultation with the New Jersey State Board of  
28 Pharmacy, shall adopt rules and regulations to effectuate the  
29 purposes of this section.

30  
31 2. a. The New Jersey State Board of Pharmacy shall prepare at  
32 least annually, and shall make available in both printed and  
33 electronic form to each pharmacy practice site in the State without  
34 charge, a list of the 150 most frequently prescribed prescription  
35 drugs that includes the usual dosages prescribed for each drug.

36 b. Each pharmacy practice site in the State shall compile a drug  
37 retail price list, which contains the names of the drugs on the list  
38 provided by the board pursuant to subsection a. of this section and  
39 the retail price for each drug on the list charged at that pharmacy  
40 practice site, and shall make the drug retail price list available to  
41 customers upon request.

42 (1) The drug retail price list shall include a notice that states as  
43 follows: "Consult your pharmacist for the selection of the most  
44 economical drug product available to fill your prescription."

45 (2) The pharmacy practice site shall post a sign that notifies  
46 customers of the availability of the drug retail price list in a  
47 conspicuous location that is: at or adjacent to the place where  
48 prescriptions are presented for compounding and dispensing; in the

1 waiting area for customers; or in the area where prescribed drugs  
2 are delivered.

3 (3) The pharmacy practice site shall report to the Commissioner  
4 of Health and Senior Services, on a form and in a manner and  
5 according to a schedule established by the commissioner, the  
6 information included in its drug retail price list. The pharmacy  
7 practice site shall update the information that it reports to the  
8 commissioner at least weekly.

9 c. The provisions of this section shall not be construed to  
10 prevent a pharmacy practice site from changing or charging the  
11 current retail price at any time, provided that the listed price is  
12 updated at least weekly to reflect the new retail price.

13 d. As used in this section, "retail price" means the actual price to  
14 be paid by a retail purchaser to a pharmacy for a drug on the retail  
15 price list at the listed dosage.

16 e. The New Jersey State Board of Pharmacy, pursuant to the  
17 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
18 seq.) and in consultation with the Commissioner of Health and  
19 Senior Services, shall adopt rules and regulations to effectuate the  
20 purposes of this section.

21

22 3. This act shall take effect on the 180th day after enactment,  
23 but the Commissioner of Health and Senior Services and the New  
24 Jersey State Board of Pharmacy may take such anticipatory  
25 administrative action in advance as shall be necessary for the  
26 implementation of the act.

27

28

29

#### STATEMENT

30

31 This bill establishes the "New Jersey Prescription Drug Retail  
32 Price Registry" in the Department of Health and Senior Services  
33 (DHSS) for the purpose of making retail price information for the  
34 150 most frequently prescribed prescription drugs readily available  
35 to New Jersey consumers.

36 The bill provides as follows:

- 37 • The registry is to include information from drug retail price  
38 lists reported to the commissioner by pharmacies pursuant to  
39 the bill, and is to be organized by the Commissioner of  
40 Health and Senior Services in a format that is conducive to  
41 review and comparison by consumers of retail prescription  
42 drug prices charged by pharmacies within the various  
43 geographic regions of the State.
- 44 • The commissioner is to: make available electronically on  
45 the DHSS Internet website, in English and Spanish, the  
46 information contained in the registry, and make copies of the  
47 information available to consumers upon request by means  
48 of a toll-free telephone service operated by DHSS.

- 1 • The State Board of Pharmacy is to prepare at least annually,  
2 and to make available in both printed and electronic form to  
3 each pharmacy practice site in the State without charge, a  
4 list of the 150 most frequently prescribed prescription drugs  
5 that includes the usual dosages prescribed for each drug.
- 6 • Each pharmacy practice site in the State is to compile a drug  
7 retail price list, which contains the names of the drugs on the  
8 list provided by the State Board of Pharmacy and the retail  
9 price for each drug on the list charged at that pharmacy  
10 practice site, and to make the drug retail price list available  
11 to customers upon request.
- 12 • The drug retail price list is to include a notice that states as  
13 follows: "Consult your pharmacist for the selection of the  
14 most economical drug product available to fill your  
15 prescription."
- 16 • The pharmacy practice site is to post a sign that notifies  
17 customers of the availability of the drug retail price list in a  
18 conspicuous location that is: at or adjacent to the place  
19 where prescriptions are presented for compounding and  
20 dispensing; in the waiting area for customers; or in the area  
21 where prescribed drugs are delivered.
- 22 • The pharmacy practice site is to report to the Commissioner  
23 of Health and Senior Services, on a form and in a manner  
24 and according to a schedule established by the  
25 commissioner, the information included in its drug retail  
26 price list. The pharmacy practice site is to update the  
27 information that it reports to the commissioner at least  
28 weekly.
- 29 • The provisions of the bill are not to be construed to prevent a  
30 pharmacy practice site from changing or charging the current  
31 retail price at any time, provided that the listed price is  
32 updated at least weekly to reflect the new retail price.
- 33 • As used in the bill, "retail price" means the actual price to be  
34 paid by a retail purchaser to a pharmacy for a drug on the  
35 retail price list at the listed dosage.
- 36 • The bill takes effect on the 180th day after enactment, but  
37 authorizes the Commissioner of Health and Senior Services  
38 and the State Board of Pharmacy to take anticipatory  
39 administrative action in advance as necessary for its  
40 implementation.

# ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, Nos. 2537 and 2656

# STATE OF NEW JERSEY

DATED: MARCH 6, 2006

The Assembly Health and Senior Services Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 2537 and 2656.

This committee substitute establishes the "New Jersey Prescription Drug Retail Price Registry" in the Department of Health and Senior Services (DHSS) for the purpose of making retail price information for the 150 most frequently prescribed prescription drugs readily available to New Jersey consumers.

The substitute provides as follows:

- The registry is to include information from drug retail price lists reported to the commissioner by pharmacies pursuant to the substitute, and is to be:
  - updated by DHSS at least weekly to reflect the most current information reported to the commissioner by pharmacies and:
  - organized by the Commissioner of Health and Senior Services in a format that is conducive to review and comparison by consumers of retail prescription drug prices charged by pharmacies in each zip code within the State, and to include the name and address of each pharmacy.
- DHSS is to: make available electronically on its Internet website, in English and Spanish, the information contained in the registry, and make copies of the information available to consumers upon request by means of a toll-free telephone service operated by DHSS.
- The information made available on the Internet website is to:
  - be organized to meet the requirements of the substitute regarding the organization and contents of the registry and be designed so that the consumer may download and print the displayed information;
  - include Internet web links to other governmental information resources that provide information relating to the regulation of prescription drugs and State and federal health care coverage and pharmaceutical assistance programs; and
  - contain clearly understandable language that is designed to assist consumers in understanding the content of, and how to access,



the information made available on the website pursuant to this section.

- The State Board of Pharmacy is to prepare at least annually, and to make available in both printed and electronic form to each pharmacy practice site in the State without charge, a list of the 150 most frequently prescribed prescription drugs that includes the usual dosages prescribed for each drug.
- Each pharmacy practice site in the State is to compile a drug retail price list, which contains the names of the drugs on the list provided by the State Board of Pharmacy and the retail price for each drug on the list charged at that pharmacy practice site, and to make the drug retail price list available to customers upon request.
- The drug retail price list is to include a notice that states as follows: "Consult your pharmacist for the selection of the most economical drug product available to fill your prescription."
- The pharmacy practice site is to post a sign that notifies customers of the availability of the drug retail price list in a conspicuous location that is: at or adjacent to the place where prescriptions are presented for compounding and dispensing; in the waiting area for customers; or in the area where prescribed drugs are delivered.
- The pharmacy practice site is to report to the Commissioner of Health and Senior Services, on a form and in a manner and according to a schedule established by the commissioner, the information included in its drug retail price list. The pharmacy practice site is to update the information that it reports to the commissioner at least weekly.
- The provisions of the substitute are not to be construed to prevent a pharmacy practice site from changing or charging the current retail price at any time, provided that the listed price is updated at least weekly to reflect the new retail price.
- As used in the substitute, "retail price" means the actual price to be paid by a retail purchaser to a pharmacy for a drug on the retail price list at the listed dosage.
- The substitute takes effect on the 180th day after enactment, but authorizes the Commissioner of Health and Senior Services and the State Board of Pharmacy to take anticipatory administrative action in advance as necessary for its implementation.

This substitute is similar to Senate Bill No. 1396 (Buono/Vitale), which is currently pending in the Senate Health, Human Services and Senior Citizens Committee.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2537 and 2656**

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 1, 2006

The Assembly Budget Committee reports favorably and with committee amendments Assembly Committee Substitute for Assembly Bill Nos. 2537 and 2656.

Assembly Bill Nos. 2537 and 2656 ACS, as amended, establishes the "New Jersey Prescription Drug Retail Price Registry" in the Department of Health and Senior Services (DHSS) for the purpose of making retail price information for the 150 most frequently prescribed prescription drugs readily available to New Jersey consumers.

The bill provides that the registry will include retail price information obtained from relevant price data collected by the Division of Medical Assistance and Health services in the Department of Human Services. The registry will be:

- updated by DHSS at least weekly to reflect the most current information obtained by the commissioner; and

- organized by the commissioner in a format that is conducive to review and comparison by consumers of retail prescription drug prices charged by pharmacies in each zip code within the State, and to include the name and address of each pharmacy; and

Information relevant to each pharmacy will be electronically transmitted to each pharmacy to create and update its own drug retail price list.

DHSS will make the information contained in the registry available electronically on its Internet website, in English and Spanish, and make copies of the information available to consumers upon request by means of a toll-free telephone service operated by DHSS.

The bill requires the information made available on the Internet website to:

- be organized to meet the requirements of the bill regarding the organization and contents of the registry and designed so a consumer may download and print the displayed information;

- include Internet web links to other governmental information resources that provide information relating to the regulation of

prescription drugs and State and federal health care coverage and pharmaceutical assistance programs;

- include an advisory statement alerting consumers to the need to tell their health care practitioner and pharmacist about all of the medications they are taking to ask them how to avoid harmful interactions; and

- contain clearly understandable language designed to assist consumers in understanding the content of, and how to access, the information made available on the website pursuant to this section.

The bill requires the State Board of Pharmacy to prepare at least annually, and to make available in both printed and electronic form to each pharmacy practice site in the State without charge, a list of the 150 most frequently prescribed prescription drugs that includes the usual dosages prescribed for each drug.

Each pharmacy practice site in the State will maintain a prescription drug retail price list, which contains the names of the drugs on the list provided by the State Board of Pharmacy and the retail price for each drug on the list charged at that pharmacy practice site, and will make the drug retail price list available to customers upon request. The retail price list will include the advisory statement about drug interactions.

The bill requires the pharmacy practice site to post a sign that notifies customers of the availability of the drug retail price list in a conspicuous location that is: at or adjacent to the place where prescriptions are presented for compounding and dispensing; in the waiting area for customers; or in the area where prescribed drugs are delivered.

The provisions of the bill are not to be construed to prevent a pharmacy practice site from changing or charging the current retail price at any time, provided that the listed price is updated at least weekly to reflect the new retail price. As used in the bill, "retail price" means the actual price to be paid by a retail purchaser to a pharmacy for a drug on the retail price list at the listed dosage.

The bill takes effect on the 180th day after enactment, but authorizes the Commissioner of Health and Senior Services and the State Board of Pharmacy to take anticipatory administrative action in advance as necessary for its implementation.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) has estimated a start-up cost of \$322,000 and operational costs to exceed \$72,000 annually. The initial start-up costs include technology investments and publicity expenses. Operating costs include the salary and benefits of one full-time employee, and maintaining a toll-free number as required by the bill, the cost of which cannot be determined.

The OLS notes that costs would be less if the department can develop the technology infrastructure in-house, and limits publicity for the program; costs would be greater if the department hires an

additional employee to handle administrative functions for the program.

COMMITTEE AMENDMENTS:

The amendments shift the data source for the price registry from information reported by the pharmacies to information obtained from usual and customary price data collected by the Division of Medical Assistance and Health services in the Department of Human Services; the amendments add a provision that allows the commissioner of DHSS to require pharmacies to report additional information if that is necessary to effectuate the provisions of the bill.

The amendments require the commissioner to electronically transmit the relevant price registry information to each pharmacy, and specify that the list be made available by means of electronic display of this information, through website posting, at or near the point of sale at the pharmacy practice site. The amendments require that the transmitted data contain the date of the most recent update, and that the date of the update be included in the pharmacy prescription drug retail price list available to its customers.

The amendments require the department to post an advisory statement alerting consumers to the need to tell their health care practitioner and pharmacist about all of the medications they are taking to ask them how to avoid harmful interactions on the Internet website, and require pharmacies to post the same advisory as part of their retail price list .

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

### ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2537 and 2656**

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 19, 2006

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2537 and 2656 (ACS) (1R), with committee amendments.

As amended by the committee, this committee substitute establishes the “New Jersey Prescription Drug Retail Price Registry” in the Division of Consumer Affairs (DCA) in the Department of Law and Public Safety for the purpose of making retail price information for the 150 most frequently prescribed prescription drugs in the State readily available to consumers.

The substitute provides specifically as follows:

- The Director of DCA, in consultation with the Commissioners of Human Services and Health and Senior Services, is to obtain drug retail price information for these prescription drugs, which indicates the actual price to be paid to a pharmacy by a retail purchaser for a listed drug at the listed dosage, from data collected by the Division of Medical Assistance and Health Services in the Department of Human Services that includes the charge for the cost of the medication and the dispensing fee, and does not exceed the usual and customary or posted or advertised charge by the pharmacy.
- The establishment of the registry is subject to any federal approval that may be required to effectuate the purposes of the substitute and is to conform with any requirements of State or federal law regarding the confidentiality and use of the information contained therein.
- The registry will include the information obtained by the director pursuant to this substitute and will be updated by DCA at least weekly to reflect the most current information obtained by the director.
- The registry is to be organized by the director in a format that is conducive to review and comparison by consumers of prescription

drug retail prices charged by pharmacies in each zip code within the State, and is to include the name and address of each pharmacy.

- DCA is to make available electronically on its Internet website in English and Spanish the information contained in the registry, and provide the information to consumers upon request by means of a toll-free telephone service operated by DCA.
- The information made available on the Internet website is to:
  - be organized to meet the requirements of the substitute and be designed so that the consumer may download and print the displayed information;
  - include Internet web links to other governmental information resources that provide information relating to the regulation of prescription drugs and State and federal health care coverage and pharmaceutical assistance programs;
  - include an advisory statement by DCA alerting consumers of the need to tell their health care practitioner and pharmacist about all the medications they may be taking and to ask them how to avoid harmful interactions between those drugs, if any; and
  - contain clearly understandable language that is designed to assist consumers in understanding the content of, and how to access, the information made available on the website.
- The director may require each pharmacy practice site in the State to furnish to the director such information as the director deems necessary to effectuate the provisions of the substitute.
- DCA may contract with a public or private entity for the purpose of developing, administering, and maintaining the registry.
- The Director of DCA is to prepare at least annually, and to make available to each pharmacy practice site in the State without charge, a list of the 150 most frequently prescribed prescription drugs that includes the usual dosages prescribed for each drug.
- Each pharmacy practice site in the State is to maintain a prescription drug retail price list, which contains the names of the drugs on the list provided by DCA and the retail price for each drug on the list charged at that pharmacy practice site, including the date of the update of the retail price list, and to make the prescription drug retail price list available to customers upon request.
- The prescription drug retail price list is to include an advisory statement prepared by DCA alerting consumers of the need to tell their health care practitioner and pharmacist about all the medications that they may be taking and to ask them how to avoid harmful interactions between those drugs, if any.
- The pharmacy practice site is to post a sign that notifies customers of the availability of the drug retail price list in a conspicuous location.
- The provisions of the substitute are not to be construed to prevent a pharmacy practice site from changing or charging the current retail

price at any time, provided that the listed price is updated at least weekly to reflect the new retail price.

- The substitute takes effect on the first day of the thirteenth month after enactment, but authorizes the Director of DCA to take anticipatory administrative action in advance as necessary for its implementation.

As reported by the committee, this substitute is identical to S-1396 (1R) SCA, as also reported by the committee.

#### COMMITTEE AMENDMENTS:

The committee amendments to the substitute:

- establish the proposed “New Jersey Prescription Drug Retail Price Registry” in DCA, rather than in the Department of Health and Senior Services;
- require the Director of DCA, in consultation with the Commissioners of Human Services and Health and Senior Services, to obtain drug retail price information for the prescription drugs included in the registry, which indicates the actual price to be paid to a pharmacy by a retail purchaser for a listed drug at the listed dosage, from data collected by the Division of Medical Assistance and Health Services in the Department of Human Services that includes the charge for the cost of the medication and the dispensing fee, and does not exceed the usual and customary or posted or advertised charge by the pharmacy;
- authorize DCA to contract with a public or private entity for the purpose of developing, administering, and maintaining the registry;
- delete the requirement that each pharmacy practice site display the prescription drug retail price list on a website at or near the point of sale at the pharmacy; and
- change the effective date to the first day of the thirteenth month (rather than the 180th day) after enactment.

#### FISCAL IMPACT:

For a previous version of this bill (prior to the amendments adopted by this committee), the Office of Legislative Services (OLS) estimated that the Department of Health and Senior Services (DHSS) would incur start-up costs of \$322,000 and annual operational costs not to exceed \$72,000 to implement the registry. The initial start-up costs would include technology investments and publicity expenses. Operating costs would include the salary and benefits of one full-time employee, and the maintenance of a toll-free number as required by the bill, although cost for the latter could not be determined. The OLS has subsequently determined that these costs would be comparable if the registry were established, administered and maintained by the Division of Consumer Affairs, rather than the DHSS. However, at this time OLS cannot estimate the cost the division would incur if it

contracted with a public or private entity for these services, as the amendments provide.



**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY COMMITTEE SUBSTITUTE FOR**  
**ASSEMBLY, Nos. 2537 and 2656**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: JUNE 20, 2006

**SUMMARY**

**Synopsis:** Establishes New Jersey Prescription Drug Retail Price Registry in DHSS; requires pharmacies to compile drug retail price lists.

**Type of Impact:** Expenditure increase from the General Fund

**Agencies Affected:** Department of Health and Senior Services

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
<b>State Cost</b>	\$322,000	\$72,000	\$72,000

- Requires the Department of Health and Senior Services (DHSS) to establish a website to provide retail pricing information by pharmacy for the 150 most frequently prescribed prescription drugs. Information on the website must be searchable by zip code and must also be made available in written-form upon request via a toll-free telephone service.
- The Office of Legislative Services (OLS) estimates a start-up cost of \$322,000 and operational costs to exceed \$72,000 annually. Initial start-up costs include technology investments and publicity expenses. Operating costs include the salary and benefits of one full-time employee, and maintaining a toll-free number required by the bill, the cost of which cannot be determined.
- Costs would be less if the department could develop the technology infrastructure in-house, and limit publicity for the program. Costs would be greater if the department hires an additional employee to handle administrative functions for the program.

**BILL DESCRIPTION**

Assembly Committee Substitute for Assembly Bill Nos. 2537 and 2656 of 2006 establishes the “New Jersey Prescription Drug Retail Price Registry” in the DHSS to provide retail pricing

information for the 150 most frequently prescribed prescription drugs, as determined by the State Board of Pharmacy. The bill requires DHSS to make the registry available through its website and update information on the registry on a weekly basis. Pursuant to the bill, the registry is to include retail prescription drug prices charged by pharmacies, and searchable by zip code, along with the name and address of each pharmacy. Additionally, the bill requires DHSS to make copies of the information on its website available upon request through a toll-free telephone number. Pharmacies are required to supply retail drug pricing information to the department on a weekly basis.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

In preparing this estimate, the OLS researched other states that have similar programs or have studied the implementation of similar programs. Program costs varied from \$150,000 in Illinois to \$1.4 million in New York State. Based on this research, OLS estimates that the start-up costs for establishing a prescription drug registry in New Jersey in FY 2007 would be approximately \$322,000. Operating costs for subsequent years are estimated to exceed \$72,000 annually. These estimates are broken down and discussed below:

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Technology Costs	\$150,000	--	--
Publicity Costs	\$100,000	--	--
Personnel Costs	\$72,000	\$72,000	\$72,000
*Toll-free number/ Fulfilling requests for information from website	unknown	unknown	unknown
<b>TOTAL</b>	<b>\$322,000</b>	<b>\$72,000</b>	<b>\$72,000</b>

\* Cannot be determined as the cost of a toll-free number depends on the number of minutes logged, and the cost for fulfilling information requests depends on the number of inquiries received by the department.

As the chart above indicates, OLS anticipates that technology start-up costs in FY 2007 would be the most expensive component of the program. Based on information accompanying proposed legislation in Illinois, these costs could total approximately \$150,000 – 2,000 hours for website analysis, development and testing at \$60 per hour, and \$30,000 for computer software charges and security measures. If the department handled these functions in-house, these costs would be reduced.

Although not specifically required by the bill, OLS anticipates another one-time publicity cost to make the public aware of the registry. This cost is fairly fluid as the department can tailor a public awareness campaign based on the amount of funds available. Since there are no benchmarks to estimate the costs of such campaigns, OLS makes a conservative estimate of \$100,000. It is noted that this cost could be higher if the department elected to follow the lead of other states like New York, and widely publicize the program. By the same token, these costs could be eliminated if the department elected to not publicize the program.

Finally, OLS estimates that operating costs would exceed \$72,000 annually. These costs include maintaining the salary and benefits of one full-time employee (an average salary of \$55,000 per year plus taxes and benefits), and maintaining a toll-free number required by the bill, the cost of which cannot be determined. As a result of recent personnel reductions made by the department, OLS anticipates that the department cannot pool its existing staff to administer the program, and would need to create one new position. If an additional employee were needed for the administrative functions of the program, such as fulfilling information requests, these personnel costs would increase. In determining these costs, OLS took into account that pharmacies already supply the State Medicaid program with usual and customary pricing data (the price charged to the cash paying consumer) on a per claim basis; however, this information is not provided in searchable form or on a scheduled basis, nor is the department required to compile and publish it weekly, as the bill requires.

*Section: Human Services*

*Analyst: Stefanie Loh*  
*Associate Fiscal Analyst*

*Approved: David J. Rosen*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, Nos. 2537 and 2656

STATE OF NEW JERSEY

212th LEGISLATURE

DATED: JULY 11, 2006

## SUMMARY

- Synopsis:** Establishes New Jersey Prescription Drug Retail Price Registry in Division of Consumer Affairs.
- Type of Impact:** Expenditure increase from the General Fund
- Agencies Affected:** Division of Consumer Affairs, Department of Health and Senior Services, Department of Human Services

### Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
State Cost	\$322,000	\$72,000	\$72,000

- Requires the Division of Consumer Affairs (DCA) to establish a website to provide retail pricing information by pharmacy for the 150 most frequently prescribed prescription drugs. Information on the website must be searchable by zip code and must also be made available in written-form upon request via a toll-free telephone service.
- The Office of Legislative Services (OLS) estimates a start-up cost of \$322,000 and operational costs to exceed \$72,000 annually. Initial start-up costs include technology investments and publicity expenses. Operating costs include the salary and benefits of one full-time employee, and maintenance of a toll-free number required by the bill, the cost of which cannot be determined.
- Costs would be less if DCA could develop the technology infrastructure in-house, or is able to outsource at a low price, and limit publicity for the program. Costs would be greater if DCA hires an additional employee to handle administrative functions for the program.

## BILL DESCRIPTION

Assembly Committee Substitute for Assembly Bill Nos. 2537 and 2656 of 2006 establishes the “New Jersey Prescription Drug Retail Price Registry” in the DCA in the Department of Law

and Public Safety to provide retail pricing information for the 150 most frequently prescribed prescription drugs, as determined by the State Board of Pharmacy. The bill requires DCA to consult with the Commissioners of Human Services and Health and Senior Services to obtain drug retail price information from relevant pricing data collected by the Division of Medical Assistance and Health Services in the Department of Human Services; however, the director of DCA can require pharmacies to report additional information if necessary. DCA is to make this information available through its website and update information on the registry at least weekly.

Pursuant to the bill, the registry is to include retail prescription drug prices charged by pharmacies, and searchable by zip code, along with the name and address of each pharmacy. The registry must also contain an advisory statement alerting consumers to tell their health care practitioners and pharmacies about all of the drugs they are taking to avoid possible drug interactions. Additionally, the bill requires DCA to make copies of the information on its website available upon request through a toll-free telephone number. Finally, the bill allows DCA to contract with a public or private entity to develop, administer and maintain the registry.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

In preparing this estimate, the OLS researched other states that have similar programs or have studied the implementation of similar programs. Program costs varied from \$150,000 in Illinois to \$1.4 million in New York State. Based on this research, OLS estimates that the start-up costs for establishing a prescription drug registry in the DCA in the Department of Law and Public Safety in FY 2007 would be approximately \$322,000. Operating costs for subsequent years are estimated to exceed \$72,000 annually. These estimates are broken down and discussed below:

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Technology Costs	\$150,000	--	--
Publicity Costs	\$100,000	--	--
Personnel Costs	\$72,000	\$72,000	\$72,000
*Toll-free number/ Fulfilling requests for information from website	unknown	unknown	unknown
<b>TOTAL</b>	<b>\$322,000</b>	<b>\$72,000</b>	<b>\$72,000</b>

\* Cannot be determined as the cost of a toll-free number depends on the number of minutes logged, and the cost for fulfilling information requests depends on the number of inquiries received by the department.

As the chart above indicates, OLS anticipates that technology start-up costs in FY 2007 would be the most expensive component of the program. Based on information accompanying proposed legislation in Illinois, these costs could total approximately \$150,000 – 2,000 hours for website analysis, development and testing at \$60 per hour, and \$30,000 for computer software charges and security measures. It is noted that recent amendments to the bill permit DCA to contract out these services. Accordingly, OLS was forwarded an estimate by a private firm indicating that the firm could implement, test, and maintain the website required by the bill for a start-up fee not to exceed \$33,000, and a maintenance fee of \$1,000 per month. If this estimate

is correct, the technology costs OLS estimates in the first year would be significantly reduced to \$45,000; however, at this time OLS does not have data to determine the validity of the estimate.

Although not specifically required by the bill, OLS anticipates another one-time publicity cost to make the public aware of the registry. This cost is fairly fluid as DCA and the Department of Health and Senior Services can tailor a public awareness campaign based on the amount of funds available. Since there are no benchmarks to estimate the costs of such campaigns, OLS makes a conservative estimate of \$100,000. It is noted that this cost could be higher if the department elected to follow the lead of other states like New York, and widely publicize the program. By the same token, these costs could be eliminated if the department elected to not publicize the program.

Finally, OLS estimates that operating costs would exceed \$72,000 annually. These costs include maintaining the salary and benefits of one full-time employee in DCA (an average salary of \$55,000 per year plus taxes and benefits), and maintaining a toll-free number required by the bill, the cost of which cannot be determined. The OLS anticipates that DCA cannot pool its existing staff to administer the program, and would need to create one new position. If an additional employee were needed for the administrative functions of the program, such as fulfilling information requests, these personnel costs would increase. In determining these costs, OLS took into account that pharmacies already provide drug pricing data to the Division of Medical Assistance and Health Services in the Department of Human Services; however, at this time it is not known how much would be involved in extracting this data and inputting it in a database. Currently, this information is not available in a searchable form or on a scheduled basis, nor is it compiled and published weekly, as the bill requires.

*Section: Human Services*

*Analyst: Stefanie Loh  
Associate Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.

# SENATE, No. 1396

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED FEBRUARY 9, 2006

**Sponsored by:**

**Senator BARBARA BUONO**

**District 18 (Middlesex)**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Co-Sponsored by:**

**Senators Madden and B.Smith**

**SYNOPSIS**

Establishes New Jersey Prescription Drug Retail Price Registry in DHSS; requires pharmacies to compile drug retail price lists.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/5/2006)**

1 AN ACT establishing the "New Jersey Prescription Drug Retail  
2 Price Registry" and supplementing Titles 26 and 45 of the  
3 Revised Statutes.

4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7

8 1. a. There is established the "New Jersey Prescription Drug  
9 Retail Price Registry" in the Department of Health and Senior  
10 Services for the purpose of making retail price information for the  
11 150 most frequently prescribed prescription drugs in the State  
12 readily available to consumers.

13 (1) The registry shall include information from drug retail price  
14 lists reported to the commissioner by pharmacies pursuant to  
15 section 2 of P.L. , c. (C. )(pending before the Legislature as  
16 this bill), and shall be updated by the department at least weekly to  
17 reflect the most current information reported to the commissioner  
18 by pharmacies .

19 (2) The registry shall be organized by the commissioner in a  
20 format that is conducive to review and comparison by consumers of  
21 prescription drug retail prices charged by pharmacies in each zip  
22 code within the State, both for selected drugs that are included in  
23 the registry and for the entire list of such drugs, and shall include  
24 the name and address of each pharmacy.

25 b. The Commissioner of Health and Senior Services shall make  
26 available electronically on its Internet website in English and  
27 Spanish the information contained in the registry, and shall make  
28 copies of the information available to consumers upon request by  
29 means of a toll-free telephone service operated by the department.

30 The information made available on the Internet website shall:

31 (1) be organized to meet the requirements of paragraph (2) of  
32 subsection a. of this section and be designed so that the consumer  
33 may download and print the displayed information;

34 (2) include Internet web links to other governmental information  
35 resources that provide information relating to the regulation of  
36 prescription drugs and State and federal health care coverage and  
37 pharmaceutical assistance programs; and

38 (3) contain clearly understandable language that is designed to  
39 assist consumers in understanding the content of, and how to  
40 access, the information made available on the website pursuant to  
41 this section.

42 c. The Commissioner of Health and Senior Services, pursuant to  
43 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
44 seq.) and in consultation with the New Jersey State Board of  
45 Pharmacy, shall adopt rules and regulations to effectuate the  
46 purposes of this section.



1       2. a. The New Jersey State Board of Pharmacy shall prepare at  
2 least annually, and shall make available in both printed and  
3 electronic form to each pharmacy practice site in the State without  
4 charge, a list of the 150 most frequently prescribed prescription  
5 drugs that includes the usual dosages prescribed for each drug.

6       b. Each pharmacy practice site in the State shall compile a drug  
7 retail price list, which contains the names of the drugs on the list  
8 provided by the board pursuant to subsection a. of this section and  
9 the retail price for each drug on the list charged at that pharmacy  
10 practice site, and shall make the drug retail price list available to  
11 customers upon request.

12       (1) The drug retail price list shall include a notice that states as  
13 follows: "Consult your pharmacist for the selection of the most  
14 economical drug product available to fill your prescription."

15       (2) The pharmacy practice site shall post a sign that notifies  
16 customers of the availability of the drug retail price list in a  
17 conspicuous location that is: at or adjacent to the place where  
18 prescriptions are presented for compounding and dispensing; in the  
19 waiting area for customers; or in the area where prescribed drugs  
20 are delivered.

21       (3) The pharmacy practice site shall report to the Commissioner  
22 of Health and Senior Services, on a form and in a manner and  
23 according to a schedule established by the commissioner, the  
24 information included in its drug retail price list. The pharmacy  
25 practice site shall update the information that it reports to the  
26 commissioner at least weekly.

27       c. The provisions of this section shall not be construed to  
28 prevent a pharmacy practice site from changing or charging the  
29 current retail price at any time, provided that the listed price is  
30 updated at least weekly to reflect the new retail price.

31       d. As used in this section, "retail price" means the actual price to  
32 be paid by a retail purchaser to a pharmacy for a drug on the retail  
33 price list at the listed dosage.

34       e. The New Jersey State Board of Pharmacy, pursuant to the  
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
36 seq.) and in consultation with the Commissioner of Health and  
37 Senior Services, shall adopt rules and regulations to effectuate the  
38 purposes of this section.

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40       3. This act shall take effect on the 180th day after enactment,  
41 but the Commissioner of Health and Senior Services and the New  
42 Jersey State Board of Pharmacy may take such anticipatory  
43 administrative action in advance as shall be necessary for the  
44 implementation of the act.

STATEMENT

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This bill establishes the "New Jersey Prescription Drug Retail Price Registry" in the Department of Health and Senior Services (DHSS) for the purpose of making retail price information for the 150 most frequently prescribed prescription drugs readily available to New Jersey consumers.

The bill provides as follows:

- The registry is to include information from drug retail price lists reported to the commissioner by pharmacies pursuant to the bill, and is to be:
  - updated by DHSS at least weekly to reflect the most current information reported to the commissioner by pharmacies and:
  - organized by the Commissioner of Health and Senior Services in a format that is conducive to review and comparison by consumers of retail prescription drug prices charged by pharmacies in each zip code within the State, both for selected drugs that are included in the registry and for the entire list of such drugs, and shall include the name and address of each pharmacy.
- The commissioner is to: make available electronically on the DHSS Internet website, in English and Spanish, the information contained in the registry, and make copies of the information available to consumers upon request by means of a toll-free telephone service operated by DHSS.
- The information made available on the Internet website is to:
  - be organized to meet the requirements of the bill regarding the organization and contents of the registry and be designed so that the consumer may download and print the displayed information;
  - include Internet web links to other governmental information resources that provide information relating to the regulation of prescription drugs and State and federal health care coverage and pharmaceutical assistance programs; and
  - contain clearly understandable language that is designed to assist consumers in understanding the content of, and how to access, the information made available on the website pursuant to this section.
- The State Board of Pharmacy is to prepare at least annually, and to make available in both printed and electronic form to each pharmacy practice site in the State without charge, a list of the 150 most frequently prescribed prescription drugs that includes the usual dosages prescribed for each drug.
- Each pharmacy practice site in the State is to compile a drug retail price list, which contains the names of the drugs on the list provided by the State Board of Pharmacy and the retail price for each drug on the list charged at that pharmacy practice site, and to make the drug retail price list available to customers upon request.

- 1 • The drug retail price list is to include a notice that states as  
2 follows: "Consult your pharmacist for the selection of the most  
3 economical drug product available to fill your prescription."
- 4 • The pharmacy practice site is to post a sign that notifies  
5 customers of the availability of the drug retail price list in a  
6 conspicuous location that is: at or adjacent to the place where  
7 prescriptions are presented for compounding and dispensing; in  
8 the waiting area for customers; or in the area where prescribed  
9 drugs are delivered.
- 10 • The pharmacy practice site is to report to the Commissioner of  
11 Health and Senior Services, on a form and in a manner and  
12 according to a schedule established by the commissioner, the  
13 information included in its drug retail price list. The pharmacy  
14 practice site is to update the information that it reports to the  
15 commissioner at least weekly.
- 16 • The provisions of the bill are not to be construed to prevent a  
17 pharmacy practice site from changing or charging the current  
18 retail price at any time, provided that the listed price is updated at  
19 least weekly to reflect the new retail price.
- 20 • As used in the bill, "retail price" means the actual price to be paid  
21 by a retail purchaser to a pharmacy for a drug on the retail price  
22 list at the listed dosage.
- 23 • The bill takes effect on the 180th day after enactment, but authorizes  
24 the Commissioner of Health and Senior Services and the State  
25 Board of Pharmacy to take anticipatory administrative action in  
26 advance as necessary for its implementation.

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

**SENATE, No. 1396**

## **STATE OF NEW JERSEY 212th LEGISLATURE**

DATED: AUGUST 15, 2006

### **SUMMARY**

- Synopsis:** Establishes New Jersey Prescription Drug Retail Price Registry in Division of Consumer Affairs.
- Type of Impact:** Expenditure increase from the General Fund
- Agencies Affected:** Division of Consumer Affairs, Department of Health and Senior Services, Department of Human Services

#### **Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
<b>State Cost</b>	\$322,000	\$72,000	\$72,000

- Requires the Division of Consumer Affairs (DCA) to establish a website to provide retail pricing information by pharmacy for the 150 most frequently prescribed prescription drugs. Information on the website must be searchable by zip code and must also be made available in written-form upon request via a toll-free telephone service.
- The Office of Legislative Services (OLS) estimates a start-up cost of \$322,000 and operational costs to exceed \$72,000 annually. Initial start-up costs include technology investments and publicity expenses. Operating costs include the salary and benefits of one full-time employee, and maintenance of a toll-free number required by the bill, the cost of which cannot be determined.
- Costs would be less if DCA could develop the technology infrastructure in-house, or is able to outsource at a low price, and limit publicity for the program. Costs would be greater if DCA hires an additional employee to handle administrative functions for the program.

### **BILL DESCRIPTION**

Senate Bill No. 1396 (2R) of 2006 establishes the “New Jersey Prescription Drug Retail Price Registry” in the DCA in the Department of Law and Public Safety to provide retail pricing information for the 150 most frequently prescribed prescription drugs, as determined by the State Board of Pharmacy. The bill requires DCA to consult with the Commissioners of Human

Services and Health and Senior Services to obtain drug retail price information from relevant pricing data collected by the Division of Medical Assistance and Health Services in the Department of Human Services; however, the director of DCA can require pharmacies to report additional information if necessary. DCA is to make this information available through its website and update information on the registry at least weekly. Pursuant to the bill, the registry is to include retail prescription drug prices charged by pharmacies, and searchable by zip code, along with the name and address of each pharmacy. The registry must also contain an advisory statement alerting consumers to tell their health care practitioners and pharmacies about all of the drugs they are taking to avoid possible drug interactions. Additionally, the bill requires DCA to make copies of the information on its website available upon request through a toll-free telephone number. Finally, the bill allows DCA to contract with a public or private entity to develop, administer and maintain the registry.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

In preparing this estimate, the OLS researched other states that have similar programs or have studied the implementation of similar programs. Program costs varied from \$150,000 in Illinois to \$1.4 million in New York State. Based on this research, OLS estimates that the start-up costs for establishing a prescription drug registry in the DCA in the Department of Law and Public Safety in FY 2007 would be approximately \$322,000. Operating costs for subsequent years are estimated to exceed \$72,000 annually. These estimates are broken down and discussed below:

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Technology Costs	\$150,000	--	--
Publicity Costs	\$100,000	--	--
Personnel Costs	\$72,000	\$72,000	\$72,000
*Toll-free number/ Fulfilling requests for information from website	unknown	unknown	unknown
<b>TOTAL</b>	<b>\$322,000</b>	<b>\$72,000</b>	<b>\$72,000</b>

\* Cannot be determined as the cost of a toll-free number depends on the number of minutes logged, and the cost for fulfilling information requests depends on the number of inquiries received by the department.

As the chart above indicates, OLS anticipates that technology start-up costs in FY 2007 would be the most expensive component of the program. Based on information accompanying proposed legislation in Illinois, these costs could total approximately \$150,000 – 2,000 hours for website analysis, development and testing at \$60 per hour, and \$30,000 for computer software charges and security measures. It is noted that recent amendments to the bill permit DCA to contract out these services. Accordingly, OLS was forwarded an estimate by a private firm indicating that the firm could implement, test, and maintain the website required by the bill for a start-up fee not to exceed \$33,000, and a maintenance fee of \$1,000 per month. If this estimate is correct, the technology costs OLS estimates in the first year would be significantly reduced to \$45,000; however, at this time OLS does not have data to determine the validity of the estimate.

Although not specifically required by the bill, OLS anticipates another one-time publicity cost to make the public aware of the registry. This cost is fairly fluid as DCA and the Department of Health and Senior Services can tailor a public awareness campaign based on the amount of funds available. Since there are no benchmarks to estimate the costs of such campaigns, OLS makes a conservative estimate of \$100,000. It is noted that this cost could be higher if the department elected to follow the lead of other states like New York, and widely publicize the program. By the same token, these costs could be eliminated if the department elected to not publicize the program.

Finally, OLS estimates that operating costs would exceed \$72,000 annually. These costs include maintaining the salary and benefits of one full-time employee in DCA (an average salary of \$55,000 per year plus taxes and benefits), and maintaining a toll-free number required by the bill, the cost of which cannot be determined. The OLS anticipates that DCA cannot pool its existing staff to administer the program, and would need to create one new position. If an additional employee were needed for the administrative functions of the program, such as fulfilling information requests, these personnel costs would increase. In determining these costs, OLS took into account that pharmacies already provide drug pricing data to the Division of Medical Assistance and Health Services in the Department of Human Services; however, at this time it is not known how much would be involved in extracting this data and inputting it in a database. Currently, this information is not available in a searchable form or on a scheduled basis, nor is it compiled and published weekly, as the bill requires.

*Section: Human Services*

*Analyst: Stefanie Loh  
Associate Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 1396**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 19, 2006

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1396 (1R), with committee amendments.

As amended by the committee, this bill establishes the “New Jersey Prescription Drug Retail Price Registry” in the Division of Consumer Affairs (DCA) in the Department of Law and Public Safety for the purpose of making retail price information for the 150 most frequently prescribed prescription drugs in the State readily available to consumers.

The bill provides specifically as follows:

- The Director of DCA, in consultation with the Commissioners of Human Services and Health and Senior Services, is to obtain drug retail price information for these prescription drugs, which indicates the actual price to be paid to a pharmacy by a retail purchaser for a listed drug at the listed dosage, from data collected by the Division of Medical Assistance and Health Services in the Department of Human Services that includes the charge for the cost of the medication and the dispensing fee, and does not exceed the usual and customary or posted or advertised charge by the pharmacy.
- The establishment of the registry is subject to any federal approval that may be required to effectuate the purposes of the bill and is to conform with any requirements of State or federal law regarding the confidentiality and use of the information contained therein.
- The registry will include the information obtained by the director pursuant to this bill and will be updated by DCA at least weekly to reflect the most current information obtained by the director.
- The registry is to be organized by the director in a format that is conducive to review and comparison by consumers of prescription drug retail prices charged by pharmacies in each zip code within the State, and is to include the name and address of each pharmacy.
- DCA is to make available electronically on its Internet website in English and Spanish the information contained in the registry, and

provide the information to consumers upon request by means of a toll-free telephone service operated by DCA.

- The information made available on the Internet website is to:
  - be organized to meet the requirements of the bill and be designed so that the consumer may download and print the displayed information;
  - include Internet web links to other governmental information resources that provide information relating to the regulation of prescription drugs and State and federal health care coverage and pharmaceutical assistance programs;
  - include an advisory statement by DCA alerting consumers of the need to tell their health care practitioner and pharmacist about all the medications they may be taking and to ask them how to avoid harmful interactions between those drugs, if any; and
  - contain clearly understandable language that is designed to assist consumers in understanding the content of, and how to access, the information made available on the website.
- The director may require each pharmacy practice site in the State to furnish to the director such information as the director deems necessary to effectuate the provisions of the bill.
- DCA may contract with a public or private entity for the purpose of developing, administering, and maintaining the registry.
- The Director of DCA is to prepare at least annually, and to make available to each pharmacy practice site in the State without charge, a list of the 150 most frequently prescribed prescription drugs that includes the usual dosages prescribed for each drug.
- Each pharmacy practice site in the State is to maintain a prescription drug retail price list, which contains the names of the drugs on the list provided by DCA and the retail price for each drug on the list charged at that pharmacy practice site, including the date of the update of the retail price list, and to make the prescription drug retail price list available to customers upon request.
- The prescription drug retail price list is to include an advisory statement prepared by DCA alerting consumers of the need to tell their health care practitioner and pharmacist about all the medications that they may be taking and to ask them how to avoid harmful interactions between those drugs, if any.
- The pharmacy practice site is to post a sign that notifies customers of the availability of the drug retail price list in a conspicuous location.
- The provisions of the bill are not to be construed to prevent a pharmacy practice site from changing or charging the current retail price at any time, provided that the listed price is updated at least weekly to reflect the new retail price.
- The bill takes effect on the first day of the thirteenth month after enactment, but authorizes the Director of DCA to take anticipatory administrative action in advance as necessary for its implementation.



As reported by the committee, this bill is identical to A-2537/2656 (ACS) (1R) SCA, as also reported by the committee.

#### COMMITTEE AMENDMENTS

The committee amendments to the bill:

- establish the proposed “New Jersey Prescription Drug Retail Price Registry” in DCA, rather than in the Department of Health and Senior Services;
- require the Director of DCA, in consultation with the Commissioners of Human Services and Health and Senior Services, to obtain drug retail price information for the prescription drugs included in the registry, which indicates the actual price to be paid to a pharmacy by a retail purchaser for a listed drug at the listed dosage, from data collected by the Division of Medical Assistance and Health Services in the Department of Human Services that includes the charge for the cost of the medication and the dispensing fee, and does not exceed the usual and customary or posted or advertised charge by the pharmacy;
- authorize DCA to contract with a public or private entity for the purpose of developing, administering, and maintaining the registry; and
- change the effective date to the first day of the thirteenth month (rather than the 180th day) after enactment.

#### FISCAL INFORMATION:

For a previous version of this bill (prior to the amendments adopted by this committee), the Office of Legislative Services (OLS) estimated that the Department of Health and Senior Services (DHSS) would incur start-up costs of \$322,000 and annual operational costs not to exceed \$72,000 to implement the registry. The initial start-up costs would include technology investments and publicity expenses. Operating costs would include the salary and benefits of one full-time employee, and the maintenance of a toll-free number as required by the bill, although cost for the latter could not be determined. The OLS has subsequently determined that these costs would be comparable if the registry were established, administered and maintained by the Division of Consumer Affairs, rather than the DHSS. However, at this time OLS cannot estimate the cost the division would incur if it contracted with a public or private entity for these services, as the amendments provide.

## Aug-21-06 Governor Corzine Signs Legislation Establishing Prescription Drug Retail Price Registry

FOR IMMEDIATE RELEASE

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### **GOVERNOR CORZINE SIGNS LEGISLATION ESTABLISHING PRESCRIPTION DRUG RETAIL PRICE REGISTRY**

**EAST BRUNSWICK** – Governor Jon S. Corzine today signed legislation establishing the New Jersey Prescription Drug Retail Price Registry, which will provide consumers with retail price information for the 150 most frequently prescribed prescription drugs in the state.

The new law requires the Division of Consumer Affairs to establish and maintain a website in English and Spanish that allows visitors to comparison-shop for prescription drugs by name, dosage, and zip code. The registry information will also be available on a toll-free hotline and at local pharmacies.

“This program will let consumers comparison-shop, increase price competition between pharmacies, and help lower prescription costs,” Governor Corzine said during the bill-signing at the East Brunswick Senior Center. “Filling a prescription shouldn’t mean emptying the cupboard. This price registry is a significant step toward making health care more affordable.”

A recent study by the New Jersey Health Care Quality Institute found that prices varied by as much as 20 percent among pharmacies. The Institute found, for example, that while one New Jersey pharmacy sold the cholesterol drug Lipitor for close to \$100, another sold the same drug for close to \$80. In New York State, a similar online registry saved consumers an average of \$17 per prescription, according to the Kaiser Foundation Health Policy Report.

The overall retail price will be based on the cost of the medication as well as the dispensing fee, which is a fee imposed by the pharmacy for filling the

prescription. The overall price cannot exceed the usual and customary, posted or advertised price charged by the pharmacy. The pricing information is also required to indicate the actual price paid by a retail purchaser for the listed drug at the listed dosage. The registry will be updated at least weekly.

The legislation (A-2537/S-1396) was sponsored by Assemblymembers Linda Greenstein, Herb Conaway, Patrick Diegnan Jr., Peter Barnes Jr., Gordon Johnson and Brian Stack, and Senators Barbara Buono and Joseph Vitale.