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SENATE, No. 2035

STATE OF NEW JERSEY
219th LEGISLATURE

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Sponsored by:

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District 7 (Burlington)

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District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires public members of Drug Utilization Review Board to disclose financial interests and benefits received from and investment interests held in pharmaceutical distributors, pharmaceutical manufacturers, or pharmacy benefits managers.

CURRENT VERSION OF TEXT

As reported by the Senate Health, Human Services and Senior Citizens Committee on February 9, 2021, with amendments.



(Sponsorship Updated As Of: 2/9/2021)

1 AN ACT concerning the Drug Utilization Review Board and
2 amending P.L.1998, c.41.

3

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

6

7 1. Section 2 of P.L.1998, c.41 (C.30:4D-17.17a) is amended to
8 read as follows:

9 2. a. There is established the Drug Utilization Review Board in
10 the department to advise the department on the implementation of a
11 drug utilization review program pursuant to P.L.1993, c.16 (C.30:4D-
12 17.16 et seq.) and this section. The board shall establish a Senior Drug
13 Utilization Review Committee to address the specific prescribing
14 needs of the elderly and an AIDS/HIV Drug Utilization Review
15 Committee to address the specific prescribing needs of persons with
16 AIDS/HIV, in addition to such other committees as it deems
17 necessary. It shall be the responsibility of each committee to evaluate
18 the specific prescribing needs of its beneficiary population, and to
19 submit recommendations to the board in regard thereto.

20 The board shall consist of 17 members, including the
21 Commissioners of Human Services and Health or their designees, who
22 shall serve as nonvoting ex officio members, and 15 public members.
23 The public members shall be appointed by the Governor with the
24 advice and consent of the Senate. The appointments shall be made as
25 follows: six persons licensed and actively engaged in the practice of
26 medicine in this State, including one who is a psychiatrist and at least
27 two who specialize in geriatric medicine and two who specialize in
28 AIDS/HIV care, one of whom who is a pediatric AIDS/HIV specialist,
29 four of whom shall be appointed upon the recommendation of the
30 Medical Society of New Jersey and two upon the recommendation of
31 the New Jersey Association of Osteopathic Physicians and Surgeons;
32 one person licensed as a physician in this State who is actively
33 engaged in academic medicine; four persons licensed in and actively
34 practicing or teaching pharmacy in this State, who shall be appointed
35 from a list of pharmacists recommended by the New Jersey
36 Pharmacists Association, the New Jersey Council of Chain Drug
37 Stores, the Garden State Pharmacy Owners, Inc., the New Jersey
38 Society of Hospital Pharmacists, the Academy of Consultant
39 Pharmacists and the College of Pharmacy of Rutgers, The State
40 University; one additional health care professional; two persons
41 certified as advanced practice nurses in this State, who shall be
42 appointed upon the recommendation of the New Jersey State Nurses
43 Association; and one member to be appointed upon the
44 recommendation of the Pharmaceutical Research and Manufacturers of
45 America.

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:

¹Senate SHH committee amendments adopted February 9, 2021.

1 Each member of the board shall have expertise in the clinically
2 appropriate prescribing and dispensing of outpatient drugs.

3 At the time of appointment, each public member shall submit a
4 written disclosure to the Department of Human Services and to the
5 Office of the Attorney General detailing any financial interest or
6 benefit furnished to the member by or through a pharmaceutical
7 'distributor, pharmaceutical' manufacturer¹, or pharmacy benefits
8 manager¹ within the preceding three years, including, but not limited
9 to, any meals, payments, gifts, stocks, or salary furnished to the
10 member by the manufacturer and any stock or other investment
11 interest held in a pharmaceutical 'distributor, pharmaceutical'
12 manufacturer¹, or pharmacy benefits manager¹ by the member.
13 Thereafter, each public member shall submit an updated disclosure on
14 a quarterly basis for the duration of the member's term as a board
15 member concerning any financial interest or benefit furnished to the
16 member by or through a pharmaceutical 'distributor, pharmaceutical'
17 manufacturer¹, or pharmacy benefits manager¹ and any investment
18 interest in a pharmaceutical 'distributor, pharmaceutical' manufacturer
19 ¹, or pharmacy benefits manager¹ acquired or held by the member in
20 the period following the date of the member's last written disclosure.
21 An individual who fails to submit a written disclosure pursuant to this
22 subsection shall be ineligible to serve as a board member and, if
23 currently serving on the board, shall be immediately removed from the
24 board. In addition, any individual who submits a written disclosure
25 that is materially false, misleading, inaccurate, or incomplete shall be
26 liable to a civil penalty of up to \$20,000, which shall be collected and
27 enforced by summary proceedings pursuant to the provisions of the
28 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et
29 seq.). Written disclosures submitted pursuant to this subsection shall
30 be made available to the public on the Internet websites of the
31 Department of Human Services and the Office of the Attorney
32 General.

33 b. All appointments to the board shall be made no later than the
34 60th day after the effective date of this act. The public members shall
35 be appointed for two-year terms and shall serve until a successor is
36 appointed and qualified, and are eligible for reappointment; except that
37 of the public members first appointed, eight shall be appointed for a
38 term of two years and five for a term of one year.

39 c. Vacancies in the membership of the board shall be filled in the
40 same manner as the original appointments were made but for the
41 unexpired term only. Members of the board shall serve with
42 compensation for the time and expenses incurred in the performance of
43 their duties as board members, as determined by the Commissioners of
44 Human Services and Health, subject to the approval of the Director of
45 the Division of Budget and Accounting in the Department of the
46 Treasury.

1 d. The board shall select a chairman from among the public
2 members, who shall serve a one-year term, and a secretary. The
3 chairman may serve consecutive terms. The board shall adopt bylaws.
4 The board shall meet at least quarterly and may meet at other times at
5 the call of the chairman. The board shall in all respects comply with
6 the provisions of the "Senator Byron M. Baer Open Public Meetings
7 Act," P.L.1975, c.231 (C.10:4-6 et seq.). No motion to take any action
8 by the board shall be valid except upon the affirmative vote of a
9 majority of the authorized membership of the board.

10 e. The duties of the board shall include the development and
11 application of the criteria and standards to be used in retrospective and
12 prospective drug utilization review. The criteria and standards shall be
13 based on the compendia and developed with professional input in a
14 consensus fashion. There shall be provisions for timely reassessments
15 and revisions as necessary and provisions for input by persons acting
16 as patient advocates. The drug utilization review standards shall
17 reflect the local practices of prescribers, in order to monitor:

- 18 (1) therapeutic appropriateness;
- 19 (2) overutilization or underutilization;
- 20 (3) therapeutic duplication;
- 21 (4) drug-disease contraindications;
- 22 (5) drug-drug interactions;
- 23 (6) incorrect drug dosage;
- 24 (7) duration of drug treatment; and
- 25 (8) clinical drug abuse or misuse.

26 The board shall recommend to the department criteria for denials
27 of claims and establish standards for a medical exception process. The
28 board shall also consider relevant information provided by interested
29 parties outside of the board and, if appropriate, shall make revisions to
30 the criteria and standards in a timely manner based upon this
31 information.

32 f. The board, with the approval of the department, shall be
33 responsible for the development, selection, application, and assessment
34 of interventions or remedial strategies for prescribers, pharmacists, and
35 beneficiaries that are educational and not punitive in nature to improve
36 the quality of care, including:

- 37 (1) Information disseminated to prescribers and pharmacists to
38 ensure that they are aware of the duties and powers of the board;
- 39 (2) Written, oral, or electronic reminders of patient-specific or
40 drug-specific information that are designed to ensure prescriber,
41 pharmacist, and beneficiary confidentiality, and suggested changes in
42 the prescribing or dispensing practices designed to improve the quality
43 of care;
- 44 (3) The development of an educational program, using data
45 provided through drug utilization review as a part of active and
46 ongoing educational outreach activities to improve prescribing and
47 dispensing practices as provided in this section. These educational
48 outreach activities shall include accurate, balanced, and timely

1 information about drugs and their effect on a patient. If the board
2 contracts with another entity to provide this program, that entity shall
3 publicly disclose any financial interest or benefit that accrues to it
4 from the products selected or used in this program;

5 (4) Use of face-to-face discussion between experts in drug therapy
6 and the prescriber or pharmacist who has been designated by the board
7 for educational intervention;

8 (5) Intensified reviews or monitoring of selected prescribers or
9 pharmacists;

10 (6) The timely evaluation of interventions to determine whether
11 the interventions have improved the quality of care; and

12 (7) The review of case profiles prior to the conducting of an
13 intervention.

14 (cf: P.L.2012, c.17, s.370)

15

16 2. The Commissioner of Human Services and the Attorney
17 General may, pursuant to the "Administrative Procedure Act,"
18 P.L.1968, c.410 (C.52:14B-1 et seq.) adopt rules and regulations as
19 may be necessary to implement the provisions of this act.

20

21 3. This act shall take effect immediately.