

[First Reprint]

**SENATE, No. 2035**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED MARCH 16, 2020

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator SHIRLEY K. TURNER**

**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:

<sup>1</sup>Senate 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' manufacturer<sup>1</sup>, or pharmacy benefits  
8 manager<sup>1</sup> 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 manufacturer<sup>1</sup>, or pharmacy benefits manager<sup>1</sup> 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 manufacturer<sup>1</sup>, or pharmacy benefits manager<sup>1</sup> and any investment  
18 interest in a pharmaceutical 'distributor, pharmaceutical' manufacturer  
19 '<sup>1</sup>, or pharmacy benefits manager<sup>1</sup> 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)

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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.

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21 3. This act shall take effect immediately.