## Sixty-ninth Legislative Assembly of North Dakota In Regular Session Commencing Tuesday, January 7, 2025

HOUSE BILL NO. 1473 (Representatives Nelson, Mitskog, Murphy, Bahl, O'Brien) (Senators Axtman, Dever, Lee)

AN ACT to create and enact a new subsection to section 43-15.3-08 of the North Dakota Century Code, relating to prohibited acts of drug manufacturers; and to provide a penalty.

## BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1.** A new subsection to section 43-15.3-08 of the North Dakota Century Code is created and enacted as follows:

- a. For purposes of this subsection:
  - (1) "Contract pharmacy" means a pharmacy that has a contract with a covered entity to receive and dispense drugs to the covered entity's patients on its behalf.
  - (2) <u>"Covered entity" means an entity participating or authorized to participate in a federal drug discount program under 42 U.S.C. 256b.</u>
  - (3) "Drug" means a drug purchased under reduced pricing under section 340B of the federal Public Health Service Act [42 U.S.C. 201 et seq.] by a covered entity.
- b. Except as otherwise provided under section 43-15.3-09, it is a class B misdemeanor for a manufacturer, an agent or affiliate of that manufacturer, virtual manufacturer, or third-party logistics provider of a manufacturer's drugs, to:
  - (1) Directly or indirectly deny, restrict, prohibit, or otherwise interfere with the acquisition of a drug by a contract pharmacy on behalf of a covered entity unless receipt of the drug is prohibited by federal law.
  - (2) Prohibit a contract pharmacy from dispensing a drug by denying access to the drug.
  - (3) Require a covered entity or contract pharmacy to submit any claims, encounter, or utilization data as a condition for acquiring or receiving a drug, unless the claims, encounter, or utilization data sharing is required by federal law.
  - (4) Interfere with the ability of a covered entity or contract pharmacy to dispense a drug to an eligible patient of the covered entity.
  - (5) Offer or otherwise make available a drug in the form of a rebate, unless in the form of a discount at the time of sale and authorized under federal law.
- c. <u>This subsection does not apply to the limited distribution of a drug as required under</u> 21 U.S.C. 355-1.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1473.

| House Vote:                   | Yeas 71 | Nays 17 | Absent 5 |                          |         |
|-------------------------------|---------|---------|----------|--------------------------|---------|
| Senate Vote:                  | Yeas 41 | Nays 4  | Absent 2 |                          |         |
|                               |         |         |          |                          |         |
|                               |         |         |          | Chief Clerk of the House |         |
| Received by the Governor at _ |         | M. on   |          | ,                        | , 2025. |
| Approved at                   | M. on   |         |          | ,                        | 2025.   |

Governor

| Filed in this office this _ | day of | , 2025, |
|-----------------------------|--------|---------|
|                             |        |         |

at \_\_\_\_\_ o'clock \_\_\_\_\_M.

Secretary of State