

SENATE BILL 595

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3lr2689
CF HB 591

By: **Senators Montgomery and Benson**

Introduced and read first time: February 1, 2013

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **State Board of Pharmacy – Wholesale Distribution – Pharmacies**

3 FOR the purpose of limiting the authority of a pharmacy permit holder to engage in
4 wholesale distribution; altering certain definitions; and generally relating to
5 wholesale distribution and pharmacies.

6 BY repealing and reenacting, with amendments,
7 Article – Health Occupations
8 Section 12–406 and 12–6C–01(i) and (v)
9 Annotated Code of Maryland
10 (2009 Replacement Volume and 2012 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Health Occupations**

14 12–406.

15 (A) A pharmacy permit authorizes the pharmacy permit holder to establish
16 and operate the pharmacy while the pharmacy permit is effective.

17 (B) **A PHARMACY PERMIT HOLDER MAY ENGAGE IN WHOLESALE
18 DISTRIBUTION ONLY WITH ANOTHER PHARMACY PERMIT HOLDER.**

19 12–6C–01.

20 (i) “Intracompany sales” means a:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) Transaction or transfer of prescription drugs between a division,
2 subsidiary, parent, or affiliated or related company under common ownership and
3 control of a corporate entity, **OTHER THAN A TRANSACTION OR TRANSFER OF**
4 **PRESCRIPTION DRUGS FROM A PHARMACY TO A WHOLESALE DISTRIBUTOR**; or

5 (2) Transaction or transfer of a co-licensed product between
6 co-licensed partners.

7 (v) (1) “Wholesale distributor” means a person that is engaged in the
8 wholesale distribution of prescription drugs or prescription devices.

9 (2) “Wholesale distributor” includes:

10 (i) A manufacturer;

11 (ii) A repackager;

12 (iii) An own-label distributor;

13 (iv) A private-label distributor;

14 (v) A jobber;

15 (vi) A broker;

16 (vii) A warehouse, including a manufacturer’s or distributor’s
17 warehouse;

18 (viii) A manufacturer’s exclusive distributor or an authorized
19 distributor of record;

20 (ix) A drug wholesaler or distributor;

21 (x) An independent wholesale drug trader;

22 (xi) A third party logistics provider;

23 (xii) A [retail] pharmacy that conducts wholesale distribution, if
24 the wholesale distribution business accounts for more than 5% of the [retail]
25 pharmacy’s annual sales; and

26 (xiii) A pharmacy warehouse that conducts wholesale
27 distribution.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2013.