By Senator Peaden

2-00956B-09 20091144

A bill to be entitled

An act relating to manufacturers and purchasers of prescription drugs; amending s. 499.003, F.S.; redefining the term "manufacturer" as it relates to the Florida Drug and Cosmetic Act; amending s. 499.01, F.S.; revising the business entities that are eligible for a permit as a health care clinic establishment in order to purchase prescription drugs; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (31) of section 499.003, Florida Statutes, is amended to read:

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499.003 Definitions of terms used in this part.—As used in this part, the term:

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(31) "Manufacturer" means:

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(a) A person who prepares, derives, manufactures, or produces a drug, device, or cosmetic.

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(b) The holder or holders of a New Drug Application (NDA), an Abbreviated New Drug Application (ANDA), a Biologics License Application (BLA), or a New Animal Drug Application (NADA), provided such application has become effective or is otherwise approved consistent with s. 499.023.

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(c) A co-licensee who has entered into an agreement with a co-licensed partner to manufacture or market a product consistent with the federal act.

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 $\underline{\text{(d)}}$ A private label distributor for whom the private label distributor's prescription drugs are originally manufactured and

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labeled for the distributor and have not been repackaged $\underline{\cdot ; or}$

- (e) The distribution point for one of the persons identified in paragraph (a), paragraph (b), paragraph (c), or paragraph (d) if the distribution point is:
- 1. A member of the affiliated group of one of the persons identified in paragraph (a), paragraph (b), paragraph (c), or paragraph (d) who distributes prescription drugs manufactured by affiliated group members only. The distribution point that is an affiliated group member may acquire title to a prescription drug before distributing the prescription drug, is exempt from s. 499.01(2)(c)1., and is a manufacturer for purposes of s. 499.01212. As used in this subparagraph, the term "affiliated group" means an affiliated group as defined in 26 U.S.C. s. 1504, as amended.
- 2. A person under contract with one of the persons identified in paragraph (a), paragraph (b), paragraph (c), or paragraph (d) to distribute their prescription drugs, who may not take title to the prescription drugs, and who is permitted as a third-party logistics provider under s. 499.01 the manufacturer, contract manufacturer, or private label distributor whether the establishment is a member of the manufacturer's affiliated group or is a contract distribution site.

The term excludes pharmacies that are operating in compliance with pharmacy practice standards as defined in chapter 465 and rules adopted under that chapter.

Section 2. Paragraph (t) of subsection (2) of section 499.01, Florida Statutes, is amended to read:

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499.01 Permits.-

- (2) The following permits are established:
- (t) Health care clinic establishment permit.—Effective January 1, 2009, a health care clinic establishment permit is required for the purchase of a prescription drug by a place of business at one general physical location owned and operated by a professional corporation or professional limited liability company described in chapter 621, any other legal entity through which qualified practitioners may practice their profession under state law, or a corporation that employs a veterinarian as a qualifying practitioner. For the purpose of this paragraph, the term "qualifying practitioner" means a licensed health care practitioner defined in s. 456.001 or a veterinarian licensed under chapter 474, who is authorized under the appropriate practice act to prescribe and administer a prescription drug.
- 1. An establishment must provide, as part of the application required under s. 499.012, designation of a qualifying practitioner who will be responsible for complying with all legal and regulatory requirements related to the purchase, recordkeeping, storage, and handling of the prescription drugs. In addition, the designated qualifying practitioner shall be the practitioner whose name, establishment address, and license number is used on all distribution documents for prescription drugs purchased or returned by the health care clinic establishment. Upon initial appointment of a qualifying practitioner, the qualifying practitioner and the health care clinic establishment shall notify the department on a form furnished by the department within 10 days after such employment. In addition, the qualifying practitioner and health

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care clinic establishment shall notify the department within 10 days after any subsequent change.

- 2. The health care clinic establishment must employ a qualifying practitioner at each establishment.
- 3. In addition to the remedies and penalties provided in this part, a violation of this chapter by the health care clinic establishment or qualifying practitioner constitutes grounds for discipline of the qualifying practitioner by the appropriate regulatory board.
- 4. The purchase of prescription drugs by the health care clinic establishment is prohibited during any period of time when the establishment does not comply with this paragraph.
- 5. A health care clinic establishment permit is not a pharmacy permit or otherwise subject to chapter 465. A health care clinic establishment that meets the criteria of a modified Class II institutional pharmacy under s. 465.019 is not eligible to be permitted under this paragraph.
- 6. This paragraph does not prohibit a qualifying practitioner from purchasing prescription drugs.
 - Section 3. This act shall take effect upon becoming a law.