

2 State of Arkansas
3 90th General Assembly
4 Regular Session, 2015

A Bill

SENATE BILL 959

5
6 By: Senator D. Sanders

7 Filed with: Senate Committee on Insurance and Commerce
8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

10 AN ACT TO PROMOTE HEALTHCARE TRANSPARENCY; TO
11 PRESERVE THE INTEGRITY OF THE RELATIONSHIP BETWEEN
12 HEALTHCARE PROVIDERS AND PATIENTS; TO PROHIBIT GIFTS
13 TO HEALTHCARE PROVIDERS; TO CREATE THE PROVIDER-
14 PATIENT RELATIONSHIP PROTECTION ACT OF 2015; AND FOR
15 OTHER PURPOSES.

16 17 18 Subtitle

19 TO CREATE THE PROVIDER-PATIENT
20 RELATIONSHIP PROTECTION ACT OF 2015.

21
22 WHEREAS, the State of Arkansas and its healthcare providers are
23 dedicated to preserving the integrity of the provider-patient relationship
24 and are committed to the ethical service of patients who entrust their care
25 to licensed healthcare professionals; and

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27 WHEREAS, patients expect that decisions about their care are based
28 solely upon medical considerations, patient need, and reasonable expectations
29 of effectiveness as reflected by the applicable standard of care; and

30
31 WHEREAS, the provider-patient relationship is paramount and providers
32 should disclose to their patients any conflicts of interest and resolve such
33 conflicts in a way that that preserves the provider relationship with
34 patients; and

1 WHEREAS, restrictions on gifts and increased transparency are expected
2 to save money for consumers, businesses, and the state by reducing the
3 promotion of expensive prescription drugs and medical devices,
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5 NOW THEREFORE,

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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8 SECTION 1. Arkansas Code Title 17, Chapter 80, is amended to add an
9 additional subchapter to read as follows:

10 Subchapter 4 – Arkansas Provider-Patient Relationship Protection Act of 2015
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12 17-80-401. Title.

13 This act shall be known and may be cited as the “Arkansas Provider-
14 Patient Relationship Protection Act of 2015”.
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16 17-80-402. Legislative intent.

17 It is the intent of the General Assembly to increase transparency and
18 reduce real or perceived conflicts of interest which undermine patient
19 confidence in healthcare providers and increase healthcare costs.
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21 17-80-403. Definition.

22 As used in this subchapter:

23 (1) "Allowable expenditures" means:

24 (A) Professional samples of prescription drugs provided to
25 a healthcare provider for free distribution to patients;

26 (B) Items with a total combined retail value, in any
27 calendar year, of no more than twenty-five dollars (\$25.00);

28 (C) A payment to the sponsor of a medical conference,
29 professional meeting, or other educational program, provided that the payment
30 is not made directly to a healthcare provider and is used solely for bona
31 fide educational purposes;

32 (D) Reasonable honoraria and reimbursement of reasonable
33 expenses of a healthcare provider who serves on the faculty at a professional
34 or educational conference or meeting;

35 (E) Compensation for the professional or consulting
36 services of a healthcare provider in connection with a genuine research

1 product that constitutes systematic investigation, is designed to develop or
2 contribute to general knowledge, and can reasonably be considered to be of
3 significant interest or value to researchers or healthcare providers working
4 in the particular field of industry;

5 (F) As described in a written agreement between the
6 healthcare provider and medical device manufacturer, reimbursement for
7 reasonable expenses necessary for technical training of a healthcare provider
8 on the use of a medical device;

9 (G) Provision of or payment for modest meals and
10 refreshments in connection with educational presentations for the purposes of
11 educating and informing healthcare providers about the benefits, risks, and
12 appropriate uses of prescription drugs or medical devices, disease states or
13 other scientific information, provided that the presentations occur in a
14 venue and manner conducive to informational communication;

15 (H) Royalties and licensing fees paid to a healthcare
16 provider in return for contractual rights to use or purchase a patented or
17 otherwise legally recognized discovery for which the healthcare provider
18 holds an ownership right;

19 (I) Publications and educational materials; and

20 (J) Salaries or other benefits paid to employees;

21 (2) "Gift" means any payment, entertainment, advance, services,
22 or anything of value unless consideration of equal or greater value has been
23 given but does not include allowable expenditures; and

24 (3) "Healthcare provider" means an individual or entity licensed
25 by the state to provide healthcare services.

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27 17-80-404. Gifts to healthcare providers prohibited.

28 It shall be unlawful for any pharmaceutical, biomedical, or medical
29 device manufacturer or distributor doing business in the state, or any agent
30 thereof, to offer or give a gift to a healthcare provider, a healthcare
31 provider's spouse, or a healthcare provider's staff or practice, whether
32 incorporated or unincorporated.

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34 17-80-405. Transparency of allowable expenditures.

35 (a) Annually on or before April 1 of each calendar year, a
36 pharmaceutical, biomedical, or medical device manufacturer doing business in

1 the state shall disclose to the office of the Attorney General in the
2 preceding calendar year the product marketing costs in the state and the
3 value, nature, and recipient information of any allowable expenditure to a
4 healthcare provider, a spouse of a healthcare provider, or the staff or
5 practice, regardless of incorporation, of a healthcare provider.

6 (b) A healthcare provider shall annually disclose in a written
7 document to patients:

8 (1) The value and nature of compensation received for allowable
9 expenditures, affiliations with payers or other healthcare providers;

10 (2) Participation in accountable care organizations or similar
11 entities that create incentives for patients to seek care inside the
12 organization;

13 (3) Ownership or financial interests in healthcare businesses,
14 including without limitation hospitals, imaging centers, laboratories,
15 equipment vendors, or physical therapy clinics;

16 (4) Consulting services including allowable expenditures;

17 (5) Adverse actions taken by the licensure board or agency
18 authorized to license and regulate the healthcare provider to the extent such
19 actions are not classified as confidential under state law; and

20 (6) Adjudicated civil or criminal actions related to federal or
21 state healthcare fraud and abuse.

22 (c) A healthcare provider shall disclose the goals of the clinical
23 trial and the optimal clinical outcomes to patients before the patient agrees
24 to participate in clinical trials.

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27 Referred by the Arkansas Senate

28 Prepared by: VJF
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