

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2084

PRINTER'S NO. 2818

AMOUNT

\$150,000

FUND

General Fund

DATE INTRODUCED

March 6, 2024

PRIME SPONSOR

Representative Briggs

DESCRIPTION

House Bill 2084 amends the Wholesale Prescription Drug Distributors License Act to include a definition for virtual manufacturer and to establish a license for virtual manufacturers in the Commonwealth.

The bill includes provisions for a license application to be approved by the Department of Health (department), including documentation showing compliance with all federal, state and local business registration requirements and a surety bond of \$100,000 to the department. The department may reduce the amount of the bond if the annual gross receipts of the virtual manufacturer is expected to be under \$10 million at the facility location, but the bond may not be reduced to less than \$25,000.

The bill exempts virtual manufacturers from meeting certain requirements for wholesale distributors of prescription drugs but adds that these requirements must be met at any locations or contract facilities where drug or medical devices are physically stored or handled on the virtual manufacturer's behalf.

This act shall take effect in 180 days.

FISCAL IMPACT:

Enactment of House Bill 2084 will require additional administrative costs related to licensing in the Department of Health. The department anticipates the additional annual cost to be \$150,000 to hire one additional staff and information technology changes related to license development.