May 27, 2022

TO: Department of Consumer & Business Services
FR: Maribeth Guarino, Oregon State Public Interest Research Group (OSPIRG)
RE: SB 763 Proposed Rules

OSPIRG is a consumer advocacy organization with members across the state. We were strong supporters of the bill in the 2021 legislative session which has brought us to this rulemaking process, and we appreciate the hard work that went into the creation of these rules over the last year. We are excited to see them finalized and these new transparency and licensing rules take effect.

The pharmaceutical industry has operated without sufficient transparency or accountability standards for too long. Without transparent processes and ethical guidelines, sales representatives cannot be held accountable for their interactions with physicians and hospitals who prescribe medications. This puts the patient at risk when profits become more important than patient health. It is vital that the pharmaceutical industry be held to such standards and that we shed light on their operations just as we do for other marketing and sales operations.

One of the most important pieces of the proposed rules that we appreciate is the strong definitions, particularly for “monetary value” and “gift.” There was ample consultation with federal authorities on the legal implications of those definitions and alignment with federal law during the rulemaking process, and the resulting rules ensure that the average person can understand the value of a transaction between a salesperson and a physician. There is a great difference between providing one pill versus a thousand pills, and these definitions will help us determine if ethical boundaries are being crossed in any sales operations.

Similarly, these rules shed light on the amount of interactions and time spent between sales representatives and physicians. Not only will this inform ethical evaluations, but also shed light on these transactions which can influence how physicians prescribe medications, directly affecting the overall cost of prescriptions as well as the cost to the patient.

Finally, the rules create clear standards for licensees’ behavior and adequate penalties for any violations. In particular, we appreciate the ability to revoke licenses of bad actors to hold them accountable. Overall, we expect these penalties to be used infrequently, but consequences for noncompliance are essential for a licensing program to be taken seriously, and the impacts of pharmaceutical sales on patient health and costs mean this program should be taken seriously.

Thank you for the opportunity to provide comments on these rules; we look forward to their implementation and the increased transparency they will provide.