112TH CONGRESS 2D SESSION

H. R. 4095

To amend the Federal Food, Drug, and Cosmetic Act to improve the safety of Internet pharmacies.

IN THE HOUSE OF REPRESENTATIVES

February 28, 2012

Mr. Cassidy (for himself and Mr. Ross of Arkansas) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Federal Food, Drug, and Cosmetic Act to improve the safety of Internet pharmacies.

- 1 Be it enacted by the Senate and House of Representa2 tives of the United States of America in Congress assembled,
 3 SECTION 1. SHORT TITLE.
 4 This Act may be cited as the "Online Pharmacy Safe5 ty Act".
 6 SEC. 2. FINDINGS.
- 7 Congress finds that—
- 8 (1) consumers in the United States are targeted
- 9 by organized international crime networks that use
- 10 Internet websites to sell illegal and often dangerous

- drugs under the guise of being legitimate online
 pharmacies;
- do not meet the safety standards established by
 United States laws, and recent reports from the National Association of Boards of Pharmacy show that
 92 to 95 percent of Internet websites offering to sell
 prescription medications online are illegitimate and
 operate in clear violation of United States laws enacted to protect patients;
 - (3) criminals are attracted to the high profit margin of business through illegitimate online drug sales, as counterfeit drug sales alone are estimated to have generated \$75,000,000,000 in 2010, an increase of 92 percent from 2005;
 - (4) the World Health Organization estimates that 50 percent of the prescription medicines sold online by Internet websites that hide their physical address are counterfeit;
 - (5) research by The Partnership at Drugfree.org found that 1 in 6 consumers in the United States, a total of about 36,000,000 Americans, has bought or currently buys prescription medication online without a valid prescription;

- 1 (6) the prevalence of illegal online drug sellers, 2 and their sale of counterfeit or otherwise illegitimate 3 medicines, is a growing public health threat;
 - (7) people have been seriously injured or killed by products sold by illegal online drug sellers;
 - (8) the accessibility of controlled substances and other drugs without a valid prescription by illegal online drug sellers contributes to a growing prescription drug abuse problem in the United States that is endangering teenagers and public health;
 - (9) the anonymous and unregulated nature of the Internet contributes to the counterfeit drug trade and enables counterfeit medicines to reach United States consumers through illegitimate online drug sellers posing as legitimate pharmacies;
 - (10) counterfeit drugs that are sold through illegal online drug sellers are manufactured by criminals who deliberately and fraudulently misrepresent the product in order to trick consumers into thinking they are purchasing a legitimate and safe medicine;
 - (11) these counterfeit drugs are frequently manufactured in unsanitary conditions and may contain the wrong ingredients, lack active ingredients,

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

- have insufficient or contaminated active ingredients,
 or contain too many active ingredients;
- 3 (12) counterfeit drugs obtained from illegal on-4 line drug sellers have been found to contain harmful 5 ingredients including arsenic, boric acid, brick dust, 6 cement powder, chalk dust, floor polish, leaded road 7 paint, nickel, shoe polish, and talcum powder;
 - (13) United States citizens deserve access to safe and legitimate online pharmacies and protection from illegal Internet websites that sell counterfeit or otherwise illegitimate medication;
 - (14) while the Ryan Haight Online Pharmacy
 Consumer Protection Act of 2008 (Public Law 110–
 425) has helped to prevent illegitimate online sales
 of prescribed controlled substances, illegal online
 sellers continue to sell other types of prescription
 drugs and stronger laws are needed to stop them;
 and
 - (15) greater education and awareness regarding illegal online drug sellers will help to protect the United States drug supply chain from infiltration by unregulated and counterfeit products.
- 23 SEC. 3. VALID PRESCRIPTIONS.
- Section 503(b) of the Federal Food, Drug, and Cos-
- 25 metic Act (21 U.S.C. 353(b)) is amended—

9

10

11

12

13

14

15

16

17

18

19

20

21

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

(1) in paragraph (1), in the matter following subparagraph (B), by striking "shall be dispensed" and all that follows through the end of paragraph (1) and inserting the following: "shall be dispensed only pursuant to a valid prescription that is (i) a written prescription of a practitioner licensed by law to administer such drug, (ii) an oral prescription of such practitioner which is reduced promptly to writing by the pharmacist, (iii) an electronic or facsimile prescription issued by a practitioner licensed by law to administer such drug, or (iv) the refill of any such written, oral, facsimile, or electronic prescription if such refilling is authorized by the prescriber either in the original prescription, in the electronic or facsimile prescription, or by oral order which is reduced promptly to writing by the pharmacist. The act of dispensing a drug contrary to the provisions of this paragraph shall be deemed to be an act which results in the drug being misbranded while held for sale. In applying this paragraph, dispensing pursuant to a prescription is deemed to be pursuant to a valid prescription if the dispensing occurs in good faith based on a reasonable belief that the prescription is a valid prescription."; and

(2) by adding at the end the following:

1	"(6) For purposes of paragraph (1), the term
2	'valid prescription' means a prescription that is
3	issued for a legitimate medical purpose in the usual
4	course of professional practice by—
5	"(A) a licensed practitioner who has con-
6	ducted at least 1 in-person medical evaluation
7	of the patient, subject to paragraph (7);
8	"(B) a covering practitioner; or
9	"(C) a practitioner engaged in the practice
10	of telemedicine.
11	"(7) For purposes of paragraph (6) and this
12	paragraph:
13	"(A)(i) The term 'in-person medical eval-
14	uation' means a medical evaluation that is con-
15	ducted with the patient in the physical presence
16	of the practitioner, without regard to whether
17	portions of the evaluation are conducted by
18	other health professionals.
19	"(ii) Nothing in clause (i) shall be con-
20	strued to imply that 1 in-person medical evalua-
21	tion demonstrates that a prescription has been
22	issued for a legitimate medical purpose within
23	the usual course of professional practice.
24	"(B) The term 'covering practitioner'
25	means, with respect to a patient, a licensed

1	practitioner who conducts a medical evaluation
2	(other than an in-person medical evaluation) at
3	the request of a licensed practitioner who—
4	"(i) has conducted at least 1 in-per-
5	son medical evaluation of the patient or an
6	evaluation of the patient through the prac-
7	tice of telemedicine, within the previous 24
8	months; and
9	"(ii) is temporarily unavailable to con-
10	duct the evaluation of the patient.
11	"(C) The term 'practice of telemedicine'
12	has the meaning given that term in section 102
13	of the Controlled Substances Act.
14	"(8) For purposes of paragraphs (6) and (7),
15	an in-person medical evaluation of the patient is not
16	required if—
17	"(A) the prescribing practitioner is issuing
18	a prescription or dispensing a legend drug in
19	accordance with the Expedited Partner Therapy
20	in the Management of Sexually Transmitted
21	Diseases guidance document issued by the Cen-
22	ters for Disease Control and Prevention; or
23	"(B) the prescription, administration, or
24	dispensing is through a public health clinic or
25	other distribution mechanism approved by the

1	State health authority in order to prevent, miti-
2	gate, or treat a pandemic illness, infectious dis-
3	ease outbreak, or intentional or accidental re-
4	lease of a biological, chemical, or radiological
5	agent.
6	"(9) The Secretary may by regulation establish
7	exceptions to the requirements described in para-
8	graphs (6) through (8) with respect to a drug, based
9	on criteria established by the Secretary.".
10	SEC. 4. REGISTRY OF LEGITIMATE ONLINE PHARMACY
11	WEBSITES.
12	Chapter V of the Federal Food, Drug, and Cosmetic
13	Act (21 U.S.C. 351 et seq.) is amended by inserting after
14	section 510 the following:
15	"SEC. 510A. REGISTRY OF LEGITIMATE ONLINE PHARMACY
16	WEBSITES.
17	"(a) Definitions.—In this section:
18	"(1) Dispensing Pharmacy.—The term 'dis-
19	pensing pharmacy' means a pharmacy that dis-
20	penses, distributes, or supplies prescription drugs
21	pursuant to orders made on, through, or on behalf
22	of, an online pharmacy website.
23	"(2) Domain name.—The term 'domain name'
24	has the meaning given that term in section 45 of the

1	"(3) Financial transaction provider.—
2	The term 'financial transaction provider' has the
3	meaning given that term in section 5362(4) of title
4	31, United States Code.
5	"(4) Internet website.—The term 'Internet
6	website' means the collection of digital assets, in-
7	cluding links, indexes, or pointers to digital assets
8	accessible through the Internet that are addressed
9	relative to a common domain name.
10	"(5) Legitimate online pharmacy
11	WEBSITE.—The term 'legitimate online pharmacy
12	website' means an online pharmacy website that is
13	included in the Registry pursuant to a designation
14	by the Secretary under this section.
15	"(6) Online Pharmacy Website.—The term
16	'online pharmacy website' means an Internet website
17	that offers, sells, dispenses, or distributes, or facili-
18	tates the offering, sale, dispensing, or distribution
19	of, prescription drugs to consumers, except that are
20	Internet website shall not be considered an online
21	pharmacy website if the website does not—
22	"(A) have the capability to accept pay-
23	ment;
24	"(B) refer consumers to a separate website

to conduct or facilitate online payment for the

1	purpose of receiving a prescription drug without
2	a valid prescription; or
3	"(C) otherwise engage in a financial trans-
4	action for prescription drugs by means of the
5	Internet.
6	"(7) Prescription drug.—The term 'pre-
7	scription drug' means a drug that is subject to sec-
8	tion $503(b)(1)$.
9	"(b) Establishment of Registry.—The Secretary
10	shall establish a Registry of Legitimate Online Pharmacy
11	Websites (referred to in this section as the 'Registry') for
12	the purpose of educating consumers and promoting public
13	health and safety.
14	"(c) Criteria.—The Secretary shall designate an
15	online pharmacy website as a legitimate online pharmacy
16	website, and include such legitimate online pharmacy
17	website on the Registry, if the Secretary determines
18	that—
19	"(1) the online pharmacy website is accredited
20	by the United States National Association of Boards
21	of Pharmacy Verified Internet Pharmacy Practice
22	Sites program; or
23	"(2) the online pharmacy website meets each of
24	the following requirements:

"(A) Prescription drugs ordered, sold, dispensed, distributed, supplied, or provided through or by the online pharmacy website are sold, dispensed, distributed, supplied, or provided solely by dispensing pharmacies that are domiciled in the United States and that maintain pharmacy licensure, a permit, or registration in good standing in all United States jurisdictions where such dispensing pharmacies provide services or are required to maintain such licensure, permit, or registration.

"(B) Each dispensing pharmacy affiliated with, or that dispenses, distributes, supplies, or provides prescription or other drugs on behalf of the online pharmacy website, maintains a valid Drug Enforcement Administration registration, unless such registration is not required by Drug Enforcement Administration regulations.

"(C) Each dispensing pharmacy affiliated with, or that dispenses, distributes, supplies, or provides prescription drugs on behalf of the online pharmacy website, dispenses, distributes, supplies, provides, or offers or attempts to dispense, distribute, supply, or provide, prescrip-

1	tion drugs only pursuant to a valid prescription
2	(as defined in section 503(b)).
3	"(D) Each dispensing pharmacy affiliated
4	with, or that dispenses, distributes, supplies, or
5	provides prescription drugs on behalf of the on-
6	line pharmacy website, complies with applicable
7	Federal and State laws and regulations applica-
8	ble to pharmacy practice.
9	"(E) The online pharmacy website promi-
10	nently displays the following information:
11	"(i) An accurate United States street
12	address of each dispensing pharmacy or
13	the corporate or other legal business entity
14	headquarters of each dispensing pharmacy.
15	"(ii) An accurate, readily accessible,
16	and responsive telephone number or other
17	secure accurate means that allows the con-
18	sumer to contact or consult with the phar-
19	macist about his or her prescription drug.
20	"(F) The online pharmacy website does
21	not make any statements, regarding the nature
22	of any dispensing pharmacy or product offered
23	via the website, that are materially misleading
24	or fraudulent.

- "(G) The domain name registration information applicable to the online pharmacy website is accurate, not anonymous, and has a logical nexus to a dispensing pharmacy located in the United States or the corporate or other legal business headquarters thereof.
 - "(H) The online pharmacy website, including any operator, content owner, or domain name registrant of the online pharmacy website, is not affiliated with, and does not own or control any other online pharmacy website that violates the requirements under this paragraph.
 - "(I) The online pharmacy website, including any operator, content owner, or domain name registrant of the online pharmacy website, is not affiliated with, and does not own or control, any other online pharmacy website that violates Federal or State laws and regulations applicable to pharmacy practice.
 - "(J) Information that would be considered protected health information under the regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (commonly referred to as the 'HIPAA Privacy Rule') is transmitted by the

online pharmacy website and each dispensing pharmacy affiliated with, or that dispenses, distributes, supplies, or provides prescription drugs on behalf of the online pharmacy website, in accordance with the requirements of such Act, including the use of Secure-Socket Layer or equivalent technology for the transmission of protected health information, and the online pharmacy website displays its privacy policy and that such policy complies with the requirements of the HIPAA Privacy Rule.

"(K) The online pharmacy website complies with other requirements as determined appropriate by the Secretary, in consultation with other Federal and State agencies responsible for regulating the practice of pharmacy, for purposes of implementing subparagraphs (A) through (J).

"(d) Process.—

"(1) APPLICATION.—The Secretary shall develop an application process through which an interested operator, content owner, or domain name registrant of an online pharmacy website may apply for inclusion on the Registry. Such an application shall be submitted in such form and manner as required

by the Secretary and shall include, at a minimum, information to determine whether the online pharmacy website satisfies the criteria described under subsection (c). Neither the Secretary nor any private entity with whom a contract is entered into under subsection (e) shall charge a fee for submission of an application for listing on the Registry.

"(2) Identification without application.—

"(A) IN GENERAL.—The Secretary shall take reasonable steps to identify online pharmacy websites for which no application has been submitted under paragraph (1) and evaluate whether these online pharmacy websites satisfy the criteria described under subsection (c).

"(B) COMPLIANCE CONFIRMED.—In cases where satisfaction of the criteria described under subsection (c) can be verified without the receipt of an application, an online pharmacy website that the Secretary determines to satisfy such criteria may be designated as a legitimate online pharmacy website and included on the Registry and the operator, content owner, or domain name registrant of such online phar-

1	macy website shall be notified of such place-
2	ment.
3	"(C) Additional information re-
4	QUIRED.—In cases where satisfaction of the cri-
5	teria described under subsection (c) cannot be
6	verified without additional information or some
7	corrective action by the online pharmacy
8	website operator, content owner, or domain
9	name registrant, the online pharmacy website
10	shall not be designated as a legitimate online
11	pharmacy website or placed on the Registry
12	until the additional information is received by
13	the Secretary and the Secretary determines that
14	all applicable and necessary corrective actions
15	have been taken.
16	"(3) REGULATIONS REGARDING APPLICATION
17	PROCESS.—
18	"(A) In general.—Not later than 180
19	days after the date of the enactment of this sec-
20	tion, the Secretary shall promulgate regula-
21	tions—
22	"(i) to establish the timeframes appli-
23	cable to informing online pharmacy website
24	operators, content owners, or domain name
25	registrants that submit an application

1	under paragraph (1) of the acceptance or
2	denial of such application;
3	"(ii) to address what information may
4	be shared with or withheld from online
5	pharmacy website operators, content own-
6	ers, or domain name registrants that sub-
7	mit such an application regarding correc-
8	tive actions that would need to be taken to
9	establish compliance with the Registry re-
10	quirements;
11	"(iii) to establish an appeal process
12	giving online pharmacy website operators,
13	content owners, or domain name reg-
14	istrants that submit such an application
15	the ability to request a second review of
16	the application to determine compliance
17	with the Registry requirements;
18	"(iv) to establish a process giving a li-
19	censed pharmacy domiciled in the United
20	States the ability to request a determina-
21	tion as to whether such pharmacy is an
22	'online pharmacy website' for purposes of
23	the Registry; and
24	"(v) to address other procedural mat-
25	ters regarding the receipt and evaluation of

1	applications submitted under paragraph
2	(1) as the Secretary determines necessary.
3	"(B) Limitation regarding appeals
4	PROCESS.—The appeals process established
5	under subparagraph (A)(iii) shall in no case re-
6	quire the Secretary—
7	"(i) to disclose information that may
8	impede an ongoing or potential criminal or
9	regulatory investigation; or
10	"(ii) to provide an opportunity for ap-
11	peal in cases where the Secretary deter-
12	mines, in the Secretary's sole discretion,
13	that the violation of a Registry require-
14	ment is materially significant, such a viola-
15	tion is not likely to be curable, or the ap-
16	plicant has engaged in a pattern of viola-
17	tions of Federal or State law.
18	"(4) Authority and process for removal
19	FROM REGISTRY.—
20	"(A) IN GENERAL.—The Secretary shall
21	have the authority to remove an online phar-
22	macy website from the Registry—
23	"(i) upon determination that the on-
24	line pharmacy website is not in compliance

1	with the criteria as established by this sec-
2	tion;
3	"(ii) upon determination that the on-
4	line pharmacy website was mistakenly in-
5	cluded in the Registry; or
6	"(iii) for good cause as determined by
7	the Secretary based on credible evidence.
8	"(B) Process.—If the Secretary deter-
9	mines that an online pharmacy website shall be
10	removed from the Registry under subparagraph
11	(A), the Secretary shall provide notice to the
12	operator, content owner, or domain name reg-
13	istrant of the online pharmacy website of the
14	determination, the date of the removal of the
15	website from the Registry, and the reasons for
16	removal.
17	"(C) REGULATIONS FOR APPEAL PROC-
18	ESS.—
19	"(i) In General.—The Secretary
20	shall promulgate regulations that provide
21	the operator, content owner, or domain
22	name registrant of an online pharmacy
23	website removed from the Registry the
24	ability to appeal the removal and to pro-
25	vide information to correct matters that

1	served as basis for removal from the Reg-
2	istry. Such regulations shall provide a rea-
3	sonable time period to correct the grounds
4	for removal.
5	"(ii) Limitation regarding ap-
6	PEALS PROCESS.—The appeals process es-
7	tablished under clause (i) shall in no case
8	require the Secretary—
9	"(I) to disclose information that
10	may impede an ongoing or potential
11	criminal or regulatory investigation;
12	or
13	"(II) to provide an opportunity
14	for appeal in cases where the Sec-
15	retary determines, in the Secretary's
16	sole discretion, that the violation of a
17	Registry requirement is materially sig-
18	nificant, such a violation is not likely
19	to be curable, or the applicant has en-
20	gaged in a pattern of violations of
21	Federal or State law.
22	"(5) Re-inclusion on registry.—Nothing in
23	this section prohibits an interested operator, content
24	owner, or domain name registrant of an online phar-
25	macy website from applying under paragraph (1) for

1	re-inclusion of the website on the Registry subse-
2	quent to the website's removal from the Registry.
3	"(e) Contracts With Private Entities.—
4	"(1) In General.—The Secretary may enter
5	into contracts with the United States National Asso-
6	ciation of Boards of Pharmacy or other private enti-
7	ties to—
8	"(A) review applications submitted under
9	subsection (d)(1) and evaluate whether the on-
10	line pharmacy website satisfies the criteria de-
11	scribed under subsection (c);
12	"(B) on an ongoing basis, review and iden-
13	tify online pharmacy websites for which no ap-
14	plication has been submitted under subsection
15	(d)(1) and evaluate whether these online phar-
16	macies satisfy the criteria described under sub-
17	section (c);
18	"(C) make recommendations to the Sec-
19	retary as to whether an online pharmacy
20	website, either through application or through
21	identification under subparagraph (B), satisfies
22	the criteria under subsection (c);
23	"(D) notify the Food and Drug Adminis-
24	tration of online pharmacy websites that do not
25	satisfy such criteria, and

1	"(E) provide services to maintain the Reg-
2	istry.
3	"(2) Contracting.—In contracting with enti-
4	ties under this subsection, the Secretary—
5	"(A) may waive such provisions of the
6	Federal Acquisition Regulation, except for pro-
7	visions relating to confidentiality of informa-
8	tion, as necessary for the efficient implementa-
9	tion of this subsection and for selecting such
10	entities; and
11	"(B) shall select entities that have dem-
12	onstrated a history of competency in reviewing,
13	evaluating, and determining the legitimacy of
14	online pharmacy websites, based on standards
15	approved by the United States National Asso-
16	ciation of Boards of Pharmacy.
17	"(3) Terms of contract.—A contract with
18	an entity under this subsection shall include such
19	terms and conditions as specified by the Secretary,
20	including the following:
21	"(A) The entity shall monitor the Internet
22	on an ongoing basis in order to sufficiently
23	maintain a current list of legitimate online
24	pharmacy websites for consideration by the Sec-
25	retary.

1	"(B) On at least a monthly basis, the enti-
2	ty shall submit to the Secretary an updated list
3	of legitimate online pharmacy websites rec-
4	ommended for inclusion on the Registry.
5	"(f) Use of Registry.—
6	"(1) Public availability.—The Secretary
7	shall—
8	"(A) make the Registry available to Inter-
9	net advertising services, financial transaction
10	providers, domain name registries, domain
11	name registrars, other domain name authori-
12	ties, information location tool service providers,
13	and others as determined necessary and appro-
14	priate by the Secretary to promote public health
15	and safety;
16	"(B) make the Registry available to con-
17	sumers and other interested persons through
18	publication on the Internet website of the Food
19	and Drug Administration; and
20	"(C) specify the Registry criteria used to
21	designate legitimate online pharmacy websites
22	on the Internet website of the Food and Drug
23	Administration.
24	"(2) Consumer Education.—The Secretary
25	shall—

"(A) engage in a campaign to educate consumers on the availability and use of the Registry to promote public health and safety through means as determined appropriate and necessary by the Secretary, which may include radio, television, print media, and Internet public service announcements; and

"(B) make consumer education materials available, on the Internet website of the Food and Drug Administration and in a consumer-friendly form and manner, regarding how to safely purchase drugs over the Internet.

"(g) Refusal of Service; Immunity.—

"(1) Refusal of Service.—A domain name registry, domain name registrar, other domain name authority, financial transaction provider, information location tool service provider, or Internet advertising service, acting in good faith based on the Registry, may cease or refuse to provide services to an online pharmacy website that is not included on the Registry.

"(2) Immunity from Liability.—If an entity described in paragraph (1), including the directors, officers, employees, or agents of the entity, acting in good faith, ceases or refuses to provide services to

1	an online pharmacy website that is not included on
2	the Registry—
3	"(A) no cause of action may be brought
4	under any Federal or State law against the en-
5	tity for such cessation or refusal; and
6	"(B) no administrative proceeding may be
7	instituted against the entity for such cessation
8	or refusal.".
9	SEC. 5. EFFECTIVE DATE.
10	This Act (and the amendments made by this Act)
11	shall take effect on the date that is 180 days after the

 \bigcirc

12 date of enactment of this Act.