**House Bill 631 – Off-Patent Or Generic Prescription Drug Price Gouging Legislation Summary**

**House Bill 631** prohibits manufacturers and wholesalers of off-patent or generic prescription drugs from engaging in price gouging, which is defined as an "unconscionable" increase in the price of a prescription drug. An "unconscionable" price increase is one which is excessive and unjustified, and which results in harm to consumers because of the importance of the drug to their health and because there is insufficient market competition to ensure access to the drug.

If the Attorney General determines that price gouging has occurred, the Attorney General must allow a manufacturer or wholesaler the opportunity to meet with the Attorney General to discuss the matter before taking legal action. The Attorney General may then go to State Circuit Court, which can provide these remedies:

1. Require the manufacturer or wholesaler to provide relevant information sought by the Attorney General,
2. Issue an order restraining or enjoining price gouging activities,
3. Restore money to consumers lost as a result of price gouging,
4. Require the manufacturer to make the drug available to participants in Medicaid and other State health programs at the pre gouging price for up to a year,
5. Impose a civil penalty of up to $10,000 for each violation.

The statute also:

1. authorizes the Medicaid Department of the Department of Health and Mental Hygiene to provide notification to the Attorney General of certain drug price increase;
2. makes clear that wholesale distributors cannot be held liable for price increases directly attributable to the manufacturer:
3. and, protects the confidentiality of certain information provided to the Attorney General by manufacturers or wholesalers.