Overview

This bill adds a new section to the consumer protection chapter. The new section prohibits the sale, marketing, promotion, advertising, or distribution of a card or other device that offers discounts or access to discounts for prescription drugs, if the card or other device does not meet the requirements of the section. The attorney general or another person may sue to stop any act that violates this section and to obtain damages.

1 **Prescription drug discounts.** Adds § 325F.784. Prohibits the sale, marketing, promotion, advertising, or distribution of a card or other purchasing device that offers discounts or access to discounts for prescription drugs, if the device does not meet the requirements of this section. Allows law suits to enjoin violations of this section and to obtain damages, and specifies where and when suits may be brought. Requires a Minnesota resident to be designated as an agent for service of process, and specifies when this section is not applicable.

**Subd. 1. Regulation.** Prohibits the sale, marketing, promotion, advertising or distribution of a card or other purchasing device that is not insurance and that offers discounts, or access to discounts, from pharmacies for prescription drugs, if (1) the card or other device does not expressly, prominently state that the discounts are not insurance; (2) the discounts are not specifically authorized by an individual contract with each pharmacy listed with the device; or (3) the discounts, range of discounts, or access to discounts are misleading, deceptive, or fraudulent.

**Subd. 2. Enforcement.** Allows the attorney general or any other person to sue to enjoin any activity that violates this section and to recover damages. Specifies where a suit may be brought, and requires a court to enjoin the continued violation of this section if it finds that a defendant has violated this section. Except to recover actual damages, provides that a plaintiff need not claim or prove that the plaintiff suffered actual damages to bring a suit. Allows a plaintiff to recover the specified monetary damages, attorney fees, costs, and other relief. Requires an action to be brought within two years of the date the violation occurred or two years after the person
bringing the action discovered or should have discovered the violation.

**Subd. 3. Designation of agent for service of process.** Requires that any person who sells, markets, promotes, advertises, or distributes a card or other device that is not insurance and that offers discounts, or access to discounts, from pharmacies for prescription drug purchases in Minnesota, must appoint a Minnesota resident as an agent who can be served with process if the person distributing the devices is sued. The agent must also be registered with the secretary of state.

**Subd. 4. Nonapplication.** Specifies that this section does not apply to (1) vision care, glasses, or contact lenses provided by an optometrist or ophthalmologist; (2) a card or other device that is not insurance and that is administered with a medical benefit by a health insurer, nonprofit health service plan corporation, or HMO; (3) a benefit administered by or under contract with the state of Minnesota; or (4) a customer discount card or membership card issued by a store or buying club, for use at that store or buying club.