

SPECIAL NOTICE TO WHOLESALERS REGARDING NEVADA'S ELECTRONIC PEDIGREE PROGRAM

The 2005 Legislature passed a series of changes to Nevada's pharmaceutical wholesaler laws intended to improve and strengthen the security of Nevada's prescription drug supply. One of the changes, NRS 639.540(3), requires that statements of prior sales, often referred to as pedigrees, be made electronically on January 1, 2007. To further the Legislature's directive, on May 4, 2006 the Board passed regulatory changes, including new language included in NAC 639.603 regarding pedigrees. The Electronic Pedigree Program (EPP) is the result of these legislative and regulatory efforts.

The Board is providing you with this notice and an Electronic Pedigree Program Handbook to inform you regarding operation of the program. Please review the Handbook to gain an understanding about the details of a wholesaler's obligations under the program. Following is a brief summary of the most important points regarding the EPP:

- The business rules regarding who must make, keep, and provide pedigrees have not been changed. NAC 639.603 has always and still requires a wholesaler to make and provide a pedigree under either one of two conditions: (1) the wholesaler is not an authorized distributor for the drug's manufacturer, or (2) the wholesaler bought the drug from a source other than the drug's manufacturer.
- Two categories of wholesalers must report to the EPP: (1) out-of-state wholesalers who have sold prescription drugs to Nevada customers under conditions requiring a pedigree; and (2) Nevada resident wholesalers who have engaged in any transaction for which it must have received or provided a pedigree.
- A wholesaler must still make, keep, and provide paper pedigrees. Paper pedigrees remain the national standard. While Nevada hopes its efforts may be part of a larger electronic pedigree system, until the larger system exists paper pedigrees will remain necessary.
- The first electronic transmission will be required by February 15, 2007 for pedigrees for sales that occurred on January 1 through January 31, 2007. Thereafter, data will be required by the 15th day of the month for all pedigrees for sales that occurred in the preceding month.
- The electronic transmission will be made in an industry standard format, namely by a Microsoft Excel .xls file, by industry standard means, mainly by e-mail or by CD. The intent was to make the reporting obligation as simple and easy as possible.
- Participation in the EPP is mandatory. Because the EPP is intended to assist the Board in safeguarding the public's health, safety, and welfare, the Board must insist that wholesalers subject to the reporting requirement fully and timely comply with the EPP.