

§ 50.601

(1) Cost components such as overhead, professional services, and profits,

(2) Payment practices of third-party payment organizations, including other Federal programs such as titles XVIII and XIX of the Social Security Act; and

(3) Any surveys by States, universities or others of costs of pharmacy operations and the fees charged in the particular area.

(c) A certification by a prescriber, pursuant to paragraph (a) of this section, that a brand of drug is medically necessary for a particular patient shall be in the prescriber's own handwriting, in such form and manner as the Secretary may prescribe. An example of an acceptable certification is the notation "brand necessary". A procedure for checking a box on a form will not constitute an acceptable certification.

Subpart F—Responsibility of Applicants for Promoting Objectivity in Research for Which PHS Funding Is Sought

AUTHORITY: 42 U.S.C. 216, 289b-1, 299c-3.

SOURCE: 60 FR 35815, July 11, 1995; 60 FR 39076, July 31, 1995, unless otherwise noted.

§ 50.601 Purpose.

This subpart promotes objectivity in research by establishing standards to ensure there is no reasonable expectation that the design, conduct, or reporting of research funded under PHS grants or cooperative agreements will be biased by any conflicting financial interest of an Investigator.

§ 50.602 Applicability.

This subpart is applicable to each Institution that applies for PHS grants or cooperative agreements for research and, through the implementation of this subpart by each Institution, to each Investigator participating in such research (see § 50.604(a)); provided, that this subpart does not apply to SBIR Program Phase I applications. In those few cases where an individual, rather than an institution, is an applicant for PHS grants or cooperative agreements for research, PHS Awarding Components will make case-by-case determinations on the steps to be taken to

42 CFR Ch. I (10-1-04 Edition)

ensure that the design, conduct, and reporting of the research will not be biased by any conflicting financial interest of the individual.

§ 50.603 Definitions.

As used in this subpart:

HHS means the United States Department of Health and Human Services, and any components of the Department to which the authority involved may be delegated.

Institution means any domestic or foreign, public or private, entity or organization (excluding a Federal agency).

Investigator means the principal investigator and any other person who is responsible for the design, conduct, or reporting of research funded by PHS, or proposed for such funding. For purposes of the requirements of this subpart relating to financial interests, "Investigator" includes the Investigator's spouse and dependent children.

PHS means the Public Health Service, an operating division of the U.S. Department of Health and Human Services, and any components of the PHS to which the authority involved may be delegated.

PHS Awarding Component means the organizational unit of the PHS that funds the research that is subject to this subpart.

Public Health Service Act or *PHS Act* means the statute codified at 42 U.S.C. 201 *et seq.*

Research means a systematic investigation designed to develop or contribute to generalizable knowledge relating broadly to public health, including behavioral and social-sciences research. The term encompasses basic and applied research and product development. As used in this subpart, the term includes any such activity for which research funding is available from a PHS Awarding Component through a grant or cooperative agreement, whether authorized under the PHS Act or other statutory authority.

Significant Financial Interest means anything of monetary value, including but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interests (e.g.,