



HOUSE BILL No. 5816

May 23, 2000, Introduced by Reps. Schauer, Lockwood, O'Neil, Baird, Jacobs, Hanley, Dennis, Switalski, Spade, Woodward, Wojno, Hansen, Jamnick, Gielegem, Thomas, Garza, Rivet, Sheltroun, Frank, Pestka, Neumann, Brewer, Quarles, Bogardus, Bob Brown, Callahan, Mans, Clark, Hardman and Lemmons and referred to the Committee on Appropriations.

A bill to create certain prescription programs relating to the elderly; to enhance access to prescription drugs to certain elderly residents of the state; to prescribe the powers and duties of certain state departments and agencies; to provide for a fund; and to make appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan elderly pharmaceutical assistance act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of community health.

5 (b) "Enrollee" means an applicant who has been approved by
6 the office to receive pharMIgap benefits.

7 (c) "Michigan resident" means a person who resides in a
8 settled or permanent home or domicile within the state with the
9 intention of remaining in the state.

1 (d) "Office of services to the aging" or "office" means the
2 office created in section 5 of the older Michiganians act, 1981
3 PA 180, MCL 400.585.

4 (e) "Out of pocket expenses" means a deductible, copayment,
5 or any other charge that is not covered by a public or private
6 insurance or other pharmaceutical assistance program that an
7 enrollee is required to pay for a prescription drug.

8 (f) "Pharmacist" means an individual licensed under arti-
9 cle 15 of the public health code, 1978 PA 368, MCL 333.16101 to
10 333.18838, engaged in the practice of pharmacy.

11 (g) "PharMIgap" means the state supplemental prescription
12 drug program created in section 3.

13 (h) "Practice of pharmacy" means that term as defined in
14 section 17707 of the public health code, 1978 PA 368, MCL
15 333.17707.

16 (i) "Prescription drug" means that term as defined in sec-
17 tion 17708 of the public health code, 1978 PA 368, MCL
18 333.17708.

19 (j) "Tobacco settlement revenue" means money received by the
20 state that is attributable to the master settlement agreement
21 incorporated into a consent decree and final judgment entered on
22 December 7, 1998 in Kelly Ex Rel. Michigan v Philip Morris
23 Incorporated, et al., Ingham county circuit court, docket
24 no. 96-84281CZ.

25 Sec. 3. (1) The department shall implement the pharMIgap
26 program as a state supplemental prescription drug coverage
27 program within the office of services to the aging. The office

1 shall administer the pharMIgap program. All of the following
2 apply to the pharMIgap program:

3 (a) A Michigan resident 60 years old or older is automati-
4 cally eligible to participate.

5 (b) Allows a pharmacist to provide a 50% discount on an
6 enrollee's out of pocket expense for a prescription drug.

7 (c) Permits a pharmacist to apply to the office for reim-
8 bursement of a discount provided under subdivision (b).

9 (d) Requires the office to reimburse a pharmacist for a dis-
10 count provided under subdivision (b).

11 (e) Requires the office to implement and maintain a 24-hour
12 toll-free consumer assistance hotline to receive consumer inqui-
13 ries regarding the pharMIgap program or enrollee benefits.

14 (2) The office shall issue a pharMIgap card to each enrollee
15 that includes, at a minimum, the name of the program, the
16 enrollee's name, address, birth date, and social security number,
17 and a toll-free telephone number for consumer inquiries.

18 Sec. 4. (1) The office shall promulgate rules according to
19 the administrative procedures act of 1969, 1969 PA 306, MCL
20 24.201 to 24.328, to implement and administer this act. The
21 rules shall include establishing the application process for a
22 potential enrollee and establishing the reimbursement process for
23 a pharmacist according to the provisions of this act. It is the
24 intent of the legislature that the office establishes a reim-
25 bursement system that is convenient and efficient for a pharmacy
26 to access. Reimbursement shall be provided in a timely manner.

1 Sec. 5. (1) The Michigan elderly pharmaceutical assistance
2 fund is established in the office. The Michigan elderly
3 pharmaceutical assistance fund shall consist of 10% of the
4 tobacco settlement revenue received in fiscal year 2000-2001 and
5 in subsequent fiscal years. One percent of the tobacco settle-
6 ment revenue received in fiscal year 2000-2001 and in subsequent
7 fiscal years shall be used to finance public advertising to pro-
8 mote the pharMIgap program.

9 (2) Money in the Michigan elderly pharmaceutical assistance
10 fund at the close of a fiscal year remains in the fund and does
11 not revert to the general fund.

12 (3) Upon appropriation by the legislature, the office shall
13 disburse funds from the Michigan elderly pharmaceutical assist-
14 ance fund to implement the provisions of this act.