



**House
Legislative
Analysis
Section**

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**"MICHIGAN ELDERLY
PHARMACEUTICAL ASSISTANCE
ACT"**

**House Bill 6155
Sponsor: Rep. Virg Bernero
Committee: Health Policy**

Complete to 6-6-02

A SUMMARY OF HOUSE BILL 6155 AS INTRODUCED 5-30-02

House Bill 6155 would create the Michigan Elderly Pharmaceutical Assistance Act to establish "PharMIgap", a state supplemental prescription drug coverage program for state residents 60 years old or older, within the Department of Community Health's Office of Services to the Aging (OSA). The PharMIgap program would allow a pharmacist to provide a fifty percent discount on an enrollee's out of pocket expense for a prescription drug, and would require OSA to reimburse a pharmacist who provided the discount and applied to the office for reimbursement. PharMIgap would also require OSA to implement and maintain a 24-hour toll-free consumer assistance hotline to receive consumer inquiries regarding the PharMIgap program or enrollee benefits. OSA would be required to issue a PharMIgap card to each enrollee that included, at a minimum, the name of the program, the enrollee's name, address, birth date, and Social Security number, and the toll-free number for consumer inquiries.

The bill would also establish the Michigan Elderly Pharmaceutical Assistance Fund within OSA. The fund would consist of ten percent of the "tobacco settlement revenue" received in fiscal year 2001-2002 and in subsequent fiscal years. ("Tobacco settlement revenue" would refer to money received by the state that is attributable to the master settlement agreement incorporated into a consent decree and final judgement entered on December 7, 1998 in *Kelly Ex Rel. Michigan v Philip Morris Incorporated, et al.*, Ingham County Circuit Court, docket no. 96-84281CZ.) One percent of the tobacco settlement revenue received in the 2001-2002 and subsequent fiscal years would be used to finance public advertising to promote PharMIgap. (It is unclear whether the advertising money would come out of the ten percent of the tobacco settlement revenue that would be dedicated to the fund or whether the advertising money would be one percent of the tobacco settlement revenue in addition to the ten percent dedicated to the fund.) Money in the fund at the close of a fiscal year would remain in the fund and would not revert to the general fund. Upon appropriation by the legislature, OSA would disburse money from the fund to implement the act.

OSA would promulgate rules to implement and administer the act establishing, among other things, the application process for a potential enrollee and the reimbursement process for a pharmacist according to the act. The bill would contain the following statement: "It is the intent of the legislature that the office establishes a reimbursement system that is convenient and efficient for a pharmacy to access." Reimbursement would have to be provided in a timely manner.

Analyst: J. Caver

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.