

CENTRAL FILL PROCESSING SERVICES

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 352 (Substitute S-1)

Sponsor: Sen. Bill Hardiman

House Committee: Health Policy

Senate Committee: Health Policy

Complete to 5-23-05

A SUMMARY OF SENATE BILL 352 AS PASSED BY THE SENATE 5-12-05

The bill would amend the Public Health Code (MCL 333.17753) to allow a pharmacy to perform "centralized prescription processing services," or to outsource those services to another licensed pharmacy, if certain conditions are satisfied.

The term "centralized prescription processing" would be defined to mean the processing by a pharmacy of a request from another pharmacy to prepare a prescription drug order or to perform processing functions such as dispensing, performing drug utilization review, completing claims adjudication, obtaining refill authorizations, initiating therapeutic interventions, and other functions related to the practice of pharmacy.

Under the bill, each of the following conditions would have to be satisfied.

- 1) The pharmacies would need to have the same owner or have a written contract outlining the services to be provided and the responsibilities and accountabilities of each pharmacy in fulfilling the terms of the contract in compliance with federal and state laws and regulations.
- 2) The pharmacies would have to share a common electronic file or have appropriate technology to allow access to sufficient information necessary or required to prepare a prescription drug order.
- 3) The pharmacies would have to comply with federal and state law.

Under the bill, a pharmacy that performed, or contracted for, centralized prescription processing services, would have to maintain a policy and procedures manual, along with documentation that implementation was occurring, to be made available to the board for inspection and review on request.

The manual would have to include, at a minimum, a detailed description of how the pharmacies would do the following:

**** Maintain appropriate records to identify the responsible pharmacist, or pharmacists, in the various stages of drug product preparation, dispensing, and counseling process.**

** Track the prescription drug order during each step in the drug product preparation, dispensing, and counseling process.

** Identify on the prescription label each pharmacy involved in the preparation and dispensing of the prescription drug order.

** Provide adequate security to protect the confidentiality and integrity of a patient's protected health information.

** Implement and maintain a quality improvement program for pharmacy services designed to objectively and systematically monitor and evaluate the quality and appropriateness of patient care, pursue opportunities to improve patient care, and resolve identified problems.

Senate Bill 352 and House Bill 4434 are tie-barred to each other, meaning that neither can become law without the other. The House-passed version of House Bill 4434 contained provisions similar to those in Senate Bill 352 (S-1) regarding centralized prescription processing services. As it passed the Senate, House Bill 4434 would exempt pharmacies that share a real-time, on-line database or that transferred prescriptions under a contract for centralized prescription processing services from certain requirements pertaining to refilling a copy of a prescription from another pharmacy.

Legislative Analyst: Susan Stutzky

■ 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.