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House Bill 4037 (Substitute H-1 as passed by the House)

House Bill 4559 (Substitute H-2 as passed by the House)

Sponsor: Representative Paul Condino (H.B. 4037)

Representative Roger Kahn (H.B. 4559)

House Committee: Health Policy

Senate Committee: Health Policy

Date Completed: 3-8-06

CONTENT

House Bill 4037 (H-1) would amend the Public Health Code to require the Department of Community Health (DCH) to establish and maintain a toll-free telephone number that a person could call for information on prescription drug programs available in the State.

House Bill 4559 (H-2) would amend the Code to require the Department of Attorney General to create and operate a prescription drug website to educate consumers about the price of prescription drugs.

The bills are tie-barred to each other. They are described below in further detail.

House Bill 4037 (H-1)

The bill would require the DCH to establish and maintain a toll-free telephone number that a person could call for information on prescription drug programs available in Michigan, including free and discounted programs. The Department could use an existing toll-free telephone line to satisfy this requirement. The DCH would have the sole discretion of authority to determine which information would be made available to the public through the telephone line.

The bill also would require the DCH to include on its website a link to the Attorney General's prescription drug website (proposed by House Bill 4559 (H-2)).

House Bill 4559 (H-2)

The bill would require the Department of Attorney General to create and operate a website to educate consumers about the price of prescription drugs and to provide links to other helpful websites, including those that may assist and educate consumers on the availability of public and private programs that offer access to discounted or free prescription drugs in compliance with Federal and State rules and regulations.

The Department of Attorney General, in consultation with the DCH, would have to include all of the following on the prescription drug website:

- A list of the 25 most commonly prescribed medications as reported by the State's Medicaid program.
- The usual and customary price of those medications.
- A minimum of five links to other websites described above.
- The DCH's toll-free telephone number (proposed by House Bill 4037 (H-1)).

The Department of Attorney General would have sole discretion of authority to determine which information would be made available to the public through the proposed website.

At least once a month, the DCH would have to obtain from the person that it contracted to serve as its pharmacy benefits manager (PBM) for the Medicaid program the usual and customary drug price for the 25 most commonly prescribed drugs as reported to the PBM by each pharmacy filling or refilling a prescription under the Medicaid program. The DCH would have to give the Department of Attorney General a written or electronic copy of this information. From that information, the Department of Attorney General would have to include on its website only the usual and customary price of the 25 most commonly prescribed drugs from all pharmacies that had filled or refilled a prescription under the Medicaid program.

The bill provides that these requirements would not require a pharmacy that filled or refilled a prescription drug under the Medicaid program to provide any information in addition to that currently being reported to the Medicaid PBM.

Under the bill, "usual and customary price" would mean the price that is comparable to what a pharmacy would charge a cash-paying customer without insurance. The term would not include discounts, special promotions, or other programs initiated to reduce prices for product costs available to the general public or to a special population.

Proposed MCL 333.9723 (H.B. 4037)
Proposed MCL 333.9721 (H.B. 4559)

Legislative Analyst: Julie Koval

FISCAL IMPACT

These bills would have an indeterminate, negative financial impact upon State government. The Department of Community Health would likely see an increase in administrative cost associated with staffing a toll-free telephone number, compiling cost information for each pharmacy in the State, and giving the information to the Department of the Attorney General. This legislation also could increase the cost of contracting with a Medicaid pharmacy benefits manager, if the PBM requested additional compensation from the DCH to cover the cost of meeting the requirements of these bills.

The Department of the Attorney General reports that House Bill 4559 (H-2) would have a minimal financial impact upon that office.

Fiscal Analyst: Bill Bowerman
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.