



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5877 (Substitute H-1 as passed by the House)
Sponsor: Representative Daniela Garcia
House Committee: Health Policy
Senate Committee: Health Policy

Date Completed: 12-6-16

CONTENT

The bill would amend the Public Health Code to do the following:

- **Allow a hospital pharmacy to operate at another location an automated device that performed activities related to the storage, packaging, dispensing, or delivery of a drug.**
- **Require the device to be under the control and supervision of the pharmacist in charge (PIC) of the pharmacy.**
- **Authorize the PIC to delegate tasks related to the device.**
- **Limit the device's operation to licensed health professionals.**

Specifically, a pharmacy that was owned and operated by a licensed hospital could operate an automated device at a location that was affiliated with the hospital but that was not located at the same physical address as the pharmacy. A pharmacy that operated such a device would have to notify the Department of Licensing and Regulatory Affairs of the device's location.

An automated device operated under the bill would have to be under the control and supervision of the pharmacy's PIC. In accordance with the Code's requirements for delegation and supervision, the PIC could delegate the stocking and maintenance of the device, the removal of medication from it, and other tasks related to the device's operation, but he or she would not have to be immediately physically present to supervise a delegated task. The bill would limit the device's operation to licensed health professionals.

The bill would define "automated device" as a mechanical system that performs an operation or activity, other than compounding or administration, relating to the storage, packaging, dispensing, or delivery of a drug and that collects, controls, and maintains transaction information. Currently, "dispense" means to issue one or more doses of a drug for subsequent administration to, or use by, a patient. Under the bill, instead, the term would mean the preparation, compounding, packaging, or labeling of a drug pursuant to a prescription or other authorization issued by a prescriber.

The Code defines "pharmacy" as a building or part of a building in which the practice of pharmacy is conducted. The bill would define the term as a facility or part of a facility that is licensed to dispense prescription drugs or prepare them for delivery or distribution. The term would not include the office of a dispensing prescriber or an automated device. "Deliver" or "delivery" would mean the actual, constructive, or attempted transfer of a drug or device from one person to another. Except as otherwise provided, "distribute" or "distribution" would mean to sell, offer for sale, deliver, offer to deliver, broker, give away, or transfer a drug, whether by passage of title or physical movement. The term would not include dispensing or

administering a drug; the delivery of a drug, or offering to deliver a drug, by a common carrier in the usual course of business as a common carrier; or the delivery of a drug via an automated device.

The bill would take effect 90 days after enactment.

MCL 333.17702 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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