

# HOUSE BILL No. 4473

March 27, 2003, Introduced by Reps. Palsrok, Walker, Vander Veen, Brandenburg, Milosch, Acciavatti, Farhat, Drolet, Casperson, Nofs, Ward, Stahl, Stakoe, Gaffney, Shackleton, Steil, Moolenaar, Robertson, Amos, Pastor, Emmons, Rocca, Julian, Voorhees, Bradstreet, Garfield, Nitz, Stewart, Huizenga, Richardville, Hager, Kooiman, Hart, Caul, LaSata, Meyer, Pumford, Middaugh, Woronchak, Shaffer, Ruth Johnson, Howell, Bisbee, Wenke, Hoogendyk, Sheen, Hune, DeRoche, Newell, DeRossett, Caswell, Palmer, Pappageorge, Shulman and Ehardt and referred to the Committee on Health Policy.

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
(MCL 333.1101 to 333.25211) by adding part 177A.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### PART 177A. PHARMACEUTICAL PURCHASING PROGRAM

Sec. 17781. (1) For purposes of this part, the words and phrases defined in section 17782 have the meanings ascribed to them in those sections.

(2) In addition, article 1 contains general definitions and principles of construction applicable to all articles in this code and part 177 contains definitions applicable to this part.

Sec. 17782. As used in this part:

(a) "Pharmaceutical purchasing program" means that program established under agreement, contract, or cooperative arrangement entered into by the department under section 17783.

1       (b) "Pharmaceutical products and services" means any  
2 medicinal substance, preparation, device, or service recognized  
3 by the United States pharmacopoeia or national formulary, or any  
4 revision thereof, or any supplement thereto, dispensed pursuant  
5 to a prescription issued by an authorized health care  
6 practitioner, for use in the diagnosis, cure, mitigation,  
7 treatment, or prevention of disease in a human, including any  
8 prescription drug delivery system, testing kit, or any other  
9 related supplies.

10       Sec. 17783. (1) The department may enter into agreements,  
11 contracts, or cooperative arrangements under this section to  
12 create or join a multistate pharmaceutical purchasing program.  
13 The purpose of the agreement, contract, or cooperative  
14 arrangement shall be to use the collective purchasing power of  
15 the participating states and members to reduce the cost of  
16 pharmaceutical products and services for those participating  
17 states and members.

18       (2) Agreements, contracts, or cooperative arrangements under  
19 this section may be executed with any state department, agency,  
20 or political subdivision of this state or any other state or with  
21 any other person that purchases pharmaceutical products and  
22 services.

23       (3) Any agreement, contract, or cooperative arrangement  
24 entered under this section shall not prohibit the participating  
25 states or members from forming partnerships with pharmaceutical  
26 manufacturers or wholesale distributors to receive discounts on  
27 pharmaceutical products and services.

1       Sec. 17784. (1) The department shall be responsible for the  
2 administration of the pharmaceutical purchasing program created  
3 or entered into under section 17783.

4       (2) The department shall establish a system for the  
5 distribution of the pharmaceutical products and services  
6 purchased under the pharmaceutical purchasing program.

7       (3) Within 2 years of the effective date of the amendatory  
8 act that added this part, and every other year thereafter, the  
9 department shall submit a written report to the governor and each  
10 house of the legislature regarding the activities and status of  
11 the pharmaceutical purchasing program.

12       Sec. 17785. The department may promulgate rules for the  
13 implementation and administration of this part.