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**BILL ANALYSIS**

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House Bill 4405 (Substitute S-1 as reported)
Sponsor: Representative Gretchen Whitmer
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to eliminate the authority of a disciplinary subcommittee to impose sanctions against a pharmacist for employing the mail to sell, distribute, or deliver a drug that requires a prescription when the prescription for the drug is received by mail.

Under the Code, the Department of Community Health may investigate activities related to the practice of a health profession by a licensee, a registrant, or an applicant for licensure or registration. The Department must report its findings to the appropriate disciplinary subcommittee, which must impose administrative sanctions if it finds that certain grounds exist. Currently, a disciplinary subcommittee may fine or reprimand a licensed pharmacist, place a licensed pharmacist on probation, deny, limit, suspend, or revoke a pharmacist's license, or order restitution or community service for violating or abetting in a violation of the prohibition against selling, distributing, or delivering a prescription drug by mail, if the prescription is received through the mail. The bill would eliminate that ground for disciplinary action.

MCL 333.17708 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

Health insurers, including Michigan Medicaid, currently use mail order firms for the provision of prescription drugs for enrollees. Permitting pharmacies in Michigan to participate in mail order pharmacy would increase competition for this business and could bring about minor reductions in the price of these drugs. Michigan-based pharmacists also would have the opportunity to expand their business offerings to include mail order pharmaceuticals, which could create an opportunity for increased revenue to these firms, generating a positive, indeterminate tax revenue gain for the State.

Under current law, a pharmacy that provided prescription drugs through the mail would be subject to discipline through the Michigan Board of Pharmacy, including a fine of up to \$5,000 per violation. Technically, under the bill, revenue from the fine would no longer be available to the State, although the Department of Community Health could not report a single instance in which a Michigan-based pharmacy violated the mail order prohibition.

Date Completed: 5-5-05

Fiscal Analyst: David Fosdick

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Bill Analysis @ www.senate.michigan.gov

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