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BILL ANALYSIS

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Senate Bill 525 (Substitute S-1 as reported)
Sponsor: Senator Roger Kahn, M.D.
Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to require the Department of Community Health (DCH) to create and operate a website containing price information on prescription drugs, including all of the following:

- A list of the 150 most commonly prescribed brand name drug products, as reported by the State's Medicaid program.
- If not on that list, the most commonly prescribed brand name drug products used for the treatment of all major illnesses and diseases, as determined by the DCH.
- If available, the generically equivalent drug products for the listed brand name drugs.
- The usual and customary price of each listed brand name drug and generic equivalent, including the name, street address, and city or other identifiable location of the pharmacy at which the listed prescription drug could be purchased at a posted price.

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 most commonly prescribed drugs identified to the PBM by each pharmacy filling or refilling a prescription under the Medicaid program. The DCH would have to include this information on the website.

The DCH would have to establish a mechanism by which a pharmacy could notify the Department of an incorrect price for a drug available at that pharmacy and submit the correct price; and update the website with the correct information within three business days. Additionally, beginning June 1, 2008, the DCH would have to report annually to the Governor and the Legislature on the accuracy of the price information listed on the website.

The bill also 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 drug programs.

Proposed MCL 333.9721

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The Department of Community Health currently operates a website that fulfills many of the requirements proposed by the bill. The Department could see an increase in administrative cost associated with updating the site to fulfill all the requirements in the bill.

Date Completed: 7-2-07

Fiscal Analyst: David Fosdick