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## BILL ANALYSIS

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Senate Bill 525 (as introduced 5-23-07)  
Sponsor: Senator Roger Kahn, M.D.  
Committee: Health Policy

Date Completed: 6-19-07

### **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; and require the DCH to establish and maintain a toll-free telephone number for information on prescription drug programs available in the State.**

#### Prescription Drug Website

The bill would require the DCH to create and operate a website to educate consumers about the price of certain 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 DCH would have to include all of the following on the prescription drug website:

- A list of the 150 most commonly prescribed brand name prescription drugs, as reported by the State's Medicaid program.
- If not on that list, the most commonly prescribed brand name prescription drugs used for the treatment of all major illnesses and diseases, as determined by the DCH.
- If available, the generic equivalents for the listed brand name drugs.
- The usual and customary price of each listed brand name drug and generic equivalent.

The price information on the website would have to display conspicuously all of the following:

- If available, the generic equivalents associated with each brand name prescription drug.
- The price attributable to each brand name and generic equivalent prescription drug.
- The dosage, including the number of doses and dosage strength, upon which the posted price was based.
- 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.

Additionally, the website would have to include a minimum of five links to other websites (as described above) and the DCH's toll-free telephone number created under the bill. The website also would have to include an advisory statement alerting consumers to the need to tell their health professional and pharmacist about all the medications they were taking and to ask how to avoid harmful interactions between those medications, if any.

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 bill specifies that these provisions 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.

#### Prescription Drug Telephone Number

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 drug programs. The Department could use an existing toll-free telephone line to satisfy this requirement.

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 a mild, indeterminate increase in administrative cost associated with updating the site to fulfill all the requirements in the bill.

Fiscal Analyst: David Fosdick

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