

SENATE BILL No. 293

February 28, 2007, Introduced by Senators KAHN, KUIPERS, PAPPAGEORGE, ALLEN, VAN WOERKOM and ANDERSON 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 section 9702.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 9702. (1) THE DEPARTMENT MAY ENTER INTO AGREEMENTS,
2 CONTRACTS, OR COOPERATIVE ARRANGEMENTS UNDER THIS SECTION TO CREATE
3 OR JOIN A MULTISTATE PRESCRIPTION DRUG PURCHASING PROGRAM. THE
4 PURPOSE OF THE AGREEMENT, CONTRACT, OR COOPERATIVE ARRANGEMENT
5 SHALL BE TO USE THE COLLECTIVE PURCHASING POWER OF THE
6 PARTICIPATING STATES AND MEMBERS TO REDUCE THE COST OF PRESCRIPTION
7 DRUGS FOR THOSE PARTICIPATING STATES AND MEMBERS.

8 (2) AGREEMENTS, CONTRACTS, OR COOPERATIVE ARRANGEMENTS UNDER
9 THIS SECTION MAY BE EXECUTED WITH ANY STATE DEPARTMENT, AGENCY, OR

1 POLITICAL SUBDIVISION OF THIS STATE OR ANY OTHER STATE OR WITH ANY
2 OTHER PERSON THAT PURCHASES PRESCRIPTION DRUGS.

3 (3) ANY AGREEMENT, CONTRACT, OR COOPERATIVE ARRANGEMENT
4 ENTERED INTO UNDER THIS SECTION SHALL NOT PROHIBIT THE
5 PARTICIPATING STATES OR MEMBERS FROM FORMING PARTNERSHIPS WITH
6 PHARMACEUTICAL MANUFACTURERS OR WHOLESALE DISTRIBUTORS TO RECEIVE
7 DISCOUNTS ON PRESCRIPTION DRUGS.

8 (4) THE DEPARTMENT SHALL BE RESPONSIBLE FOR THE ADMINISTRATION
9 OF THE MULTISTATE PRESCRIPTION DRUG PURCHASING PROGRAM CREATED OR
10 ENTERED INTO UNDER THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A
11 SYSTEM FOR THE DISTRIBUTION OF THE PRESCRIPTION DRUGS PURCHASED
12 UNDER THIS PROGRAM. THE DEPARTMENT SHALL IMPLEMENT THIS SECTION IN
13 A MANNER THAT COMPLIES WITH FEDERAL REQUIREMENTS. THE DEPARTMENT
14 MAY PROMULGATE RULES FOR THE IMPLEMENTATION AND ADMINISTRATION OF
15 THIS SECTION.

16 (5) WITHIN 2 YEARS OF THE EFFECTIVE DATE OF THE AMENDATORY ACT
17 THAT ADDED THIS SECTION, AND EVERY OTHER YEAR THEREAFTER, THE
18 DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE GOVERNOR AND EACH
19 HOUSE OF THE LEGISLATURE REGARDING THE ACTIVITIES AND STATUS OF THE
20 MULTISTATE PRESCRIPTION DRUG PURCHASING PROGRAM.