



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 502 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Jim Marleau
Committee: Health Policy

CONTENT

The bill would amend the Health Care False Claim Act to include a payment from a drug manufacturer for a health care service associated with the use of a multiple sclerosis drug in an exception to a prohibition against kickbacks, bribes, and rebates for furnishing health care goods, services, and benefits.

Under Section 4 of the Act, it is a felony to solicit, offer, pay, or receive a kickback or bribe in connection with the furnishing of goods or services for which payment is or may be made wholly or partly by a health care corporation or health care insurer, or to receive a rebate of a fee or charge for referring an individual to another person for the furnishing of health care benefits. The felony is punishable by imprisonment for up to four years and/or a maximum fine of \$50,000.

The Act provides that a rebate or discount from a drug manufacturer or a company that licenses or distributes a manufacturer's drugs to a consumer for that consumer's use of the drug does not violate Section 4. Under the bill, the exception also would apply to a monetary payment from a drug manufacturer to a consumer, the consumer's health professional, or a vendor that had a contract with the manufacturer, for a health care service that the prescribing information of a qualified drug required or recommended for initiating drug therapy.

"Qualified drug" would mean a drug that had a U.S. Food and Drug Administration-approved indication to treat multiple sclerosis. "Consumer's health professional" would mean a health professional who did not prescribe the qualified drug or who did not have a financial relationship to the health professional who prescribed it.

The bill would take effect 90 days after it was enacted.

MCL 752.1004a

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 2-2-16

Fiscal Analyst: Ryan Bergan