



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-2 as reported)
Sponsor: Senator Jim Marleau
Committee: Health Policy

CONTENT

The bill would amend the Health Care False Claim Act to revise an exemption 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, this exception would apply to a rebate or discount to a consumer or other person on the consumer's behalf for the consumer's use of the drug, or a similar monetary payment for health care items or services related to that use.

The bill specifies that "other person on the consumer's behalf" would not include a prescriber or a person with a financial relationship to the prescriber.

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: 11-13-15

Fiscal Analyst: Ryan Bergan