



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-1)  
Sponsor: Senator Jim Marleau  
Committee: Health Policy

Date Completed: 10-23-15

### **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, discount, or similar payment to a consumer or other person on the consumer's behalf for the consumer's use of the drug or 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 physician or other individual prescribing the drug or a person with a financial relationship to the physician or other individual.

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.

Fiscal Analyst: Ryan Bergan

S1516\S502sb

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.