



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5805 (as reported without amendment)
Sponsor: Representative John Bizon, M.D.
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to revise certain cost savings requirements associated with the substitution of a generically equivalent drug product or an interchangeable drug product.

The Code specifies that, except as otherwise provided, when a pharmacist receives a prescription for a brand name drug product or biological drug product, he or she may, or when a purchaser requests a lower cost genetically equivalent drug product or interchangeable drug biological drug product, the pharmacist must dispense a lower, but not higher, cost generically equivalent drug product or interchangeable biological drug product if available in the pharmacy.

If a pharmacist dispenses a generically equivalent drug product or interchangeable biological drug product, the pharmacist must pass on the savings in cost to the purchaser or to a third party payment source if the prescription purchase is covered by a third party pay contract. The savings in cost is the difference between the wholesale cost to the pharmacist of the two drug products.

The bill would delete the existing cost-savings provision and, instead, would require a pharmacist to charge the purchaser not more than the current selling price for the lower cost drug product, if the pharmacist substituted a lower cost generically equivalent drug product or interchangeable biological drug product to a purchaser who was not submitting a claim to a third-party payment source.

MCL 333.17755

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would reflect current practice; therefore, it would not have any fiscal impact on the cost of public employee health insurance or the State's Medicaid program.

Date Completed: 6-7-18

Fiscal Analyst: Steve Angelotti