



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

BILL



ANALYSIS

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

House Bill 5805 (as passed by the House)  
Sponsor: Representative John Bizon, M.D.  
House Committee: Health Policy  
Senate Committee: Health Policy

Date Completed: 5-29-18

### **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.

(The Code defines "current selling price" as the retail price for a prescription drug that is available for sale from a pharmacy.)

The bill would take effect 90 days after its enactment.

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.

Fiscal Analyst: Steve Angelotti

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