



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 94 and 95 (as reported without amendment)
Sponsor: Senator Sam Singh (S.B. 94)
Senator Jonathan Lindsey (S.B. 95)
Committee: Oversight

CONTENT

Senate Bill 94 would amend the Public Health Code to do the following:

- Prohibit a drug manufacturer, wholesaler, or wholesale distributor-broker from limiting a 340B Program entity's access to drugs covered under the Federal 340B Program.
- Beginning July 1, 2026, require each 340B entity to annually submit a report concerning the entity's licensing information and compliance with the 340B program to the Department of Licensing and Regulatory Affairs.
- Beginning July 1, 2026, require each drug manufacturer to annually report certain information on prescription drugs that exceeded \$40 for the cost of one course of treatment and that had a cost increase of over 15% in the last year.

Senate Bill 95 would enact the "Hospital Price Transparency Act" to prohibit hospitals from attempting to collect debts when not in compliance with specified price transparency laws.

The bills are tie-barred. Proposed MCL 333.17757c (S.B. 94)

BRIEF RATIONALE

The Federal 340B Drug Pricing Program requires manufacturers that participate in Medicaid to sell certain drugs at reduced prices. According to testimony before the Senate Committee on Oversight, by purchasing drugs at reduced prices the State's 87 participating hospitals can then allocate their savings to other areas such as patient transportation and community-based care; but reportedly fewer pharmacies can contract with hospitals, leading to a decrease in the Program's benefits. Some believe that prohibiting drug manufacturers or wholesalers from limiting access to 340B Program entities would enable the Program to continue helping Medicaid users. Additionally, some believe it necessary to increase transparency in hospital operations to ensure proper use of the Program and to address rising healthcare costs.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bills 94 and 95 are reintroductions of Senate Bills 1179 and 952, respectively, of the 2023-2024 Legislative Session. Each bill passed the Senate and was referred to the House Committee on Government Operations but received no further action.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

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

Date Completed: 2-28-25

Fiscal Analyst: Nathan Leaman; Michael Siracuse

floor/sb94

Bill Analysis @ www.senate.michigan.gov/sfa

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.