



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bills 397 and 401 through 403 (Substitute S-1 as reported)  
Senate Bills 398 through 400 (as reported without amendment)  
Senate Bills 404 and 405 (as reported without amendment)  
Sponsor: Senator Kevin Hertel (S.B. 397 & S.B. 400)  
Senator Joseph Bellino, Jr. (S.B. 398)  
Senator Jeff Irwin (S.B. 399)  
Senator Sylvia Santana (S.B. 401)  
Senator Paul Wojno (S.B. 402)  
Senator Sam Singh (S.B. 403)  
Senator Darrin Camilleri (S.B. 404 & 405)  
Committee: Health Policy

**CONTENT**

Senate Bill 397 (S-1) would amend Section 109h of the Social Welfare Act to prohibit the Department of Health and Human Services (DHHS) from requiring prior authorization under Medicaid for a prescription drug that was recognized in a generally accepted standard medical reference for the treatment of and was being prescribed to a patient for the treatment of opioid use disorder. Also, the bill would prohibit the DHHS from requiring a dosage maximum for a prescription drug for the treatment of opioid withdrawal symptom management or opioid use disorder.

Senate Bill 398 would amend Part 62 (Substance Abuse Services) of the Public Health Code to prohibit the Department of Licensing and Regulatory Affairs (LARA) from promulgating or enforcing certain rules pertaining to a substance use disorder services program.

Senate Bill 399 would amend Part 74 (Offenses and Penalties) of the Public Health Code to specify that, as used in Sections 7453 to 7461 and Section 7521, "drug paraphernalia" would not include testing products used in determining whether a controlled substance contained chemicals, toxic substances, or hazardous compounds in quantities that could cause physical harm or death. "Testing products" would include fentanyl testing strips.

Senate Bill 400 would amend Chapter 34 (Disability Insurance Policies) of the Insurance Code to prohibit an insurer that delivered, issued for delivery, or renewed in the State a health insurance policy from requiring a prior authorization for coverage of a medication for the treatment of opioid use disorder or alcohol use disorder.

Senate Bill 401 (S-1) would amend Part 177 (Pharmacy Practice and Drug Control) of the Public Health Code to require a prescriber who issued a prescription to a patient for an opioid to also offer the patient a prescription for an opioid antagonist under certain circumstances.

Senate Bill 402 (S-1) would amend Section 109 of the Social Welfare Act to allow a Medicaid-eligible individual to receive street medicine services, including prescriptions for opioid use disorder, by an eligible provider.

Senate Bill 403 (S-1) would amend Part 73 (Manufacture, Distribution, and Dispensing) of the Public Health Code to require a pharmacist who received a lawful order from a prescriber for addiction medication to make a good-faith effort to fill the order for the addiction medication without undue delay to the ultimate user. Also, if the pharmacy did not have the addiction

medication in stock, the pharmacist would have to offer certain solutions to the patient. Finally, the bill would require a pharmacist to return a prescription form to a patient on the patient's request if an additional medication were prescribed to the patient on a prescription form and was not filled at the pharmacy.

Senate Bill 404 would amend Part 15 (School Districts; Powers and Duties Generally) of the Revised School Code to do the following:

- Require the board or board of directors of a school district, intermediate school district (ISD), or public school academy (PSA) that could receive opioid antagonists at no cost from the Department of Health and Human Services (DHHS) to ensure that one employee in each school had been trained in the appropriate use and administration of the opioid antagonist.
- Require the board or board of directors of a school district, ISD, or PSA that received opioid antagonists at no cost to develop and implement a policy concerning the administration of opioid antagonists in public schools, in consultation with the Department of Health and Human Services (DHHS).
- Exempt school employees who in good faith administered an opioid antagonist consistent with the policies of that school from liability in a criminal action or for civil damages as a result of an act or omission in the administration of the opioid antagonist, except for an act or omission amounting to willful or wanton misconduct.

Senate Bill 405 would amend the Administration of Opioid Antagonists Act to exclude the board or board of directors of a school district, ISD, or PSA from the definition of "governmental agency".

Senate Bill 404 and Senate Bill 405 are tie-barred.

MCL 400.109h (S.B. 397); 333.6230 & 333.6234 (S.B. 398); 333.7451 (S.B. 399)  
Proposed MCL 500.3406ww (S.B. 400); MCL 333.17744b (S.B. 401); 400.109 (S.B. 402)  
Proposed MCL 333.7333c (S.B. 403)  
MCL 380.1178 et al. (S.B. 404); 15.671 (S.B. 405)

## **BRIEF RATIONALE**

The bills focus on expanding access to treatment of opioid overdose and improving upon Michigan's harm reduction strategies by emphasizing equity, flexible treatment models, and preventative measures, and removing barriers to evidence-based treatment. By streamlining access to medication and strengthening harm reduction efforts, some believe the bills could reduce overdoses in Michigan.

Legislative Analyst: Alex Krabill

## **FISCAL IMPACT**

### Senate Bill 397 (S-1)

The bill could have an indeterminate but likely minimal fiscal impact on the DHHS through the State's Medicaid program and no fiscal impact on local units of government. Currently, Medicaid policy restricts buprenorphine/naloxone to a 32-milligram equivalent limit per day under the State's Single Preferred Drug List.

The bill would eliminate the need for prior authorization for buprenorphine/naloxone tablets exceeding 32 milligrams per day. Fiscal implications for the DHHS would result from the

removal of the existing 32 milligrams/day cap. The exact fiscal impact to the State Medicaid program is uncertain. It is not known how many recipients would exceed the current daily limit.

#### Senate Bill 398

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

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#### Senate Bill 400

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

#### Senate Bill 401 (S-1)

The bill could have an uncertain but potentially significant fiscal impact on the State and local units of government. The bill would require that any prescriber issuing an opioid prescription to a patient also would have to offer a prescription for an opioid antagonist. Offering a prescription for an opioid antagonist would likely lead to an increase in filled prescriptions for opioid antagonists. The resulting additional prescription costs could affect the State's Medicaid program through fee-for-service payments and increases to Medicaid health plan managed care rates, as well as the State's employee and retiree healthcare expenses. Local government units would experience cost increases through public employee and retiree healthcare programs as well as through local jail/correctional health care costs. The fiscal impact to the State for the State employee self-funded health insurance plans could be approximately \$11.5 million General Fund/General Purpose (GF/GP). According to the Michigan Civil Service Commission, in calendar year 2024, the State's health plans filled roughly 88,600 opioid prescriptions and the average cost for opioid antagonists to the State's health plans was \$130. Assuming that future years have similar numbers of opioid prescriptions with a 100% fill rate for the automatic opioid antagonists, 88,600 opioid antagonist prescriptions at \$130/prescription is around \$11.5 million. The fiscal impact to the State's Medicaid program could be approximately \$44.9 million gross and \$10.9 million GF/GP. In Fiscal Year (FY) 2023-24, there were approximately 781,700 opioid prescriptions filled under the State's Medicaid program. In FY 2023-24, the average cost to the State's Medicaid program for an opioid antagonist was \$57.40 per unit. Assuming that future years have similar numbers of opioid prescriptions with a 100% fill rate for the automatic opioid antagonists, 781,700 opioid antagonist prescriptions at \$57.40/prescription is around \$44.9 million gross. The estimated match rate between Traditional Medicaid and the Healthy Michigan Plan is approximately 24.25% meaning that of the \$44.9 million, the GF/GP share would be \$10.9 million.

#### Senate Bill 402 (S-1)

The bill could have a fiscal impact on the Michigan Department of Health and Human Services and no fiscal impact on local units of government. The proposed changes to the Social Welfare Act under the bill would require Michigan's Medicaid program to cover street medicine services, including prescriptions for opioid use disorder, by eligible providers.

Michigan's Medicaid program already covers prescriptions for opioid use disorder, so the fiscal impact from the addition of providing prescriptions for opioid use disorder to unsheltered homeless individuals would be minimal.

The section of the bill that could have an uncertain fiscal impact would be the definition of "street medicine services". According to the bill, "street medicine services" would mean health and social care provided directly to a homeless individual in their environment. The bill does not specify the exact nature of "health and social care", allowing for a broad interpretation that could mandate extensive provisions of such services. Depending on the scope and types of health and social care that would have to be provided, this definition would have the potential to result in a significant fiscal impact.

According to the 2024 United States Department of Housing and Urban Development Annual Homelessness Assessment Report, there were 9,739 homeless people in Michigan. Depending on the interpretation of "health and social care", providing care to approximately 9,700 individuals in their own environment, instead of in a facility or mobile health clinic setting, could result in significant costs for the Medicaid program.

#### Senate Bill 403 (S-1)

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

#### Senate Bills 404 & 405

The bills would have a minor negative fiscal impact on the DHHS and no impact on local units of government. Although the bill wouldn't require the DHHS to provide opioid antagonists to a school district, ISD, or PSA, an initial cost to provide a two dose unit of naloxone, specifically Narcan, would range from \$36,203 to \$135,751.<sup>2</sup> The lower amount would provide a single two dose unit to each school district, while the higher amount would provide a single two dose unit to each school.<sup>3</sup> Currently, the DHHS operates Narcan Direct, a Naloxone distribution portal, which uses Opioid Healing and Recovery Fund revenue and Federal grants to distribute opioid antagonists to either a person, organization, or governmental entity free of charge upon submission and approval of an online request form. If districts or individual schools were already using Narcan Direct to receive Narcan, this would offset a portion of the initial costs.

The bills would have an indeterminate, though likely small, fiscal impact on districts, ISDs, and PSAs. If the DHHS were able to supply a district, ISD, or PSA with opioid antagonists at no cost, the district, ISD, or PSA would incur some administrative cost to ensure at least one employee of each school had been trained in the appropriate use and administration of an opioid antagonist. Senate Bill 404's immunity provisions could reduce the number of prosecutions and convictions for possession or administration of controlled substances by employees or agents, thus potentially reducing court and corrections costs and costs of litigation for affected districts, ISDs, and PSAs.

Date Completed: 6-25-25

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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.