

THE SOCIAL WELFARE ACT (EXCERPT)
Act 280 of 1939

400.105i Medicaid managed care organization; pharmacy benefit managers; contract requirements; implementation date.

Sec. 105i. (1) The department shall not enter into a contract with a Medicaid managed care organization that relies on a pharmacy benefit manager that does not do all of the following:

(a) For Michigan pharmacies with not more than 7 retail outlets, utilize a pharmacy reimbursement methodology of the lesser of national average drug acquisition cost plus a professional dispensing fee that is at least equal to the applicable professional dispensing fee provided through section 1620 of article 6 of 2020 PA 166, wholesale acquisition cost plus a professional dispensing fee provided through section 1620 of article 6 of 2020 PA 166, or the usual and customary charge by the pharmacy. The pharmacy benefit manager or the involved pharmacy services administrative organization shall not receive any portion of the professional dispensing fee. The department shall identify the pharmacies this subdivision applies to and provide the list of applicable pharmacies to the Michigan Medicaid managed care organizations.

(b) Reimburse for a legally valid claim at a rate not less than the rate in effect at the time the original claim adjudication was submitted at the point of sale.

(c) Agree to move to a transparent pass-through pricing model, in which the pharmacy benefit manager discloses the administrative fee as a percentage of the professional dispensing costs to the department.

(d) Agree to not create new pharmacy administration fees and to not increase current fees more than the rate of inflation. This subdivision does not apply to any federal rule or action that creates a new fee.

(e) Agree to not terminate an existing contract with a Michigan pharmacy with not more than 7 retail outlets for the sole reason of the additional professional dispensing fee authorized under this section.

(2) This section does not prohibit a Medicaid managed care organization from implementing this section before the effective date of the amendatory act that added this section.

History: Add. 2023, Act 279, Eff. Feb. 13, 2024.

Popular name: Act 280