SUBSTITUTE FOR

SENATE BILL NO. 1179

A bill to amend 1978 PA 368, entitled

"Public health code,"

(MCL 333.1101 to 333.25211) by adding section 17757c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 17757c. (1) Except as otherwise provided in subsection (2), a manufacturer, wholesaler, or wholesale distributor-broker shall not do any of the following:

(a) Deny, restrict, prohibit, condition, discriminate against, or otherwise limit the acquisition of a 340B drug by a 340B entity.

(b) Deny, restrict, prohibit, condition, discriminate against, or otherwise limit the acquisition of a 340B drug by, or the delivery of a 340B drug to, a pharmacy that is under contract with or otherwise authorized by a 340B entity to receive a 340B drug on

behalf of the 340B entity.

(c) Designate a person to act on behalf of the manufacturer, wholesaler, or wholesale distributor-broker to engage in the conduct described in subdivision (a) or (b).

(2) A manufacturer, wholesaler, or wholesale distributor-broker may engage in the conduct prohibited under subsection (1) if otherwise authorized by a law of this state or federal law.

(3) Beginning July 1, 2026, and each July 1 thereafter, a 340B entity shall submit a report to the department, in a form and manner required by the department, and to the house of representatives and senate fiscal agencies. The report must include all of the following for the 340B entity's 340B program:

(a) The name of the 340B entity submitting the report.

(b) A copy of the 340B entity's annual 340B program recertification.

(c) If a community health needs assessment is required under section 501(r)(3)(A) of the internal revenue code of 1986, 26 USC 501, a copy of the 340B entity's community health needs assessment.

(d) An affidavit affirming that the 340B entity is in compliance with 42 USC 256b(a)(5)(A)(i).

(e) An affidavit affirming that the 340B entity is in compliance with 340B program audits.

(f) A description of any adverse 340B program audits within the preceding 12 months.

(g) A description of the impact of the 340B program on the patients and the community served by the 340B entity.

(4) Beginning July 1, 2026, and each July 1 thereafter, a manufacturer shall submit a report to the department and the house of representatives and senate fiscal agencies on any prescription

drug that exceeds $40.00 for the cost of 1 course of treatment and that has had more than a 15% increase in its wholesale acquisition cost during the preceding 12 months. The report must be submitted in a form and manner required by the department and include all of the following:

(a) The name of the manufacturer submitting the report.

(b) The name of the prescription drug included in the report.

(c) Whether the prescription drug has a brand name or generic name, whether the prescription drug is a biological drug product or an interchangeable biological drug product, and any variation of the name of the drug.

(d) The wholesale acquisition cost of the prescription drug and the schedule of wholesale acquisition cost increases for the preceding 5 years.

(e) The year the prescription drug was introduced into the market.

(f) The wholesale acquisition cost of the prescription drug at the time the prescription drug was introduced into the market.

(g) The cost of producing 1 course of treatment of the prescription drug, including, but not limited to, whether or when the prescription drug needs compounding immediately before dispensing.

(h) The expiration date of the patent for the prescription drug.

(i) Each form of the drug dispensed, including, but not limited to, by oral pill, tablet, capsule, suppository, liquid, tincture, topical cream or ointment, or topical patch or other wearable, or by intravenous, port, peripherally inserted central catheter, or other method.

(5) The department shall post each report received by it under subsections (3) and (4) on the department's publicly accessible website.

(6) As used in this section:

(a) "340B drug" means a covered outpatient drug as that term is defined in 42 USC 1396r-8.

(b) "340B entity" means a covered entity as that term is defined in 42 USC 256b.

(c) "340B program" means the federal 340B drug pricing program authorized under 42 USC 256b.

(d) "340B program audit" means an audit performed under 42 USC 256b.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 952 of the 102nd Legislature is enacted into law.