



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1095 (Substitute S-1 as reported)
Sponsor: Senator Virg Bernero
Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to delete a provision authorizing a disciplinary subcommittee to impose sanctions on a pharmacist for employing the mail to sell, distribute, or deliver a drug that requires a prescription when the prescription for the drug is received by mail.

Under the Code, the Department of Community Health may investigate activities related to the practice of a health profession by a licensee, a registrant, or an applicant for licensure or registration. The Department must report its findings to the appropriate disciplinary subcommittee, which must impose administrative sanctions if it finds that certain grounds exist. Currently, a disciplinary subcommittee may fine or reprimand a licensed pharmacist, place a pharmacist on probation, deny, limit, suspend, or revoke a pharmacist's license, or order restitution or community service, for violating or abetting in a violation of the prohibition against selling, distributing, or delivering a prescription drug by mail.

MCL 333.17708 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

Currently, State pharmacies are not permitted to provide mail-order pharmacy services. Numerous health insurers, including health maintenance organizations, commercial insurers, and the State's Medicaid program, currently contract with out-of-State mail order firms to deliver maintenance drugs to their clients. The use of mail-order pharmacies would not be affected by the bill, but the number of pharmacies eligible for the program would increase. This increase should produce greater competition and marginally lower prices. In addition, some of the mail order business would go to Michigan firms, leading to a marginal yet indeterminate increase in tax revenue.

Date Completed: 9-23-04

Fiscal Analyst: Steve Angelotti