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BILL ANALYSIS

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Senate Bill 47 (as reported without amendment)  
Sponsor: Senator Roger Kahn, M.D.  
Committee: Health Policy

## **CONTENT**

The bill would amend the Public Health Code to require the Department of Community Health (DCH) to create and operate a website containing price information on prescription drugs, including all of the following:

- A list of the 150 most commonly prescribed brand name drug products, as reported by the State's Medicaid program.
- If not on that list, the most commonly prescribed brand name drug products used for the treatment of all major illnesses and diseases, as determined by the DCH.
- If available, the generically equivalent drug products for the listed brand name drugs.
- The usual and customary price of each listed brand name drug and generic equivalent, including the location of the pharmacy where it could be purchased at a posted price.

At least once a month, the DCH would have to obtain from its pharmacy benefits manager (PBM) for the Medicaid program the usual and customary drug price for the most commonly prescribed drugs identified to the PBM by each pharmacy filling or refilling a prescription under the Medicaid program. The DCH would have to include this information on the website.

The DCH would have to establish a mechanism by which a pharmacy listed on the website could notify the Department of an incorrect usual and customary price for a drug available at that pharmacy and submit the correct price; and update the website with the correct price within three business days. Beginning June 1, 2009, the DCH would have to report annually to the Governor and the Legislature on the accuracy of the listed price information.

The bill also would require the DCH to establish and maintain a toll-free telephone number that a person could call for information on prescription drug programs available in Michigan.

Proposed MCL 333.9721

Legislative Analyst: Julie Cassidy

## **FISCAL IMPACT**

The Department of Community Health currently operates a prescription drug website that offers consumers access to information regarding commonly prescribed drugs. This bill would require that the DCH significantly expand the existing website. The Department could be expected to incur additional administrative costs associated with updating and maintaining a more comprehensive and detailed prescription drug website. Section 285 of Public Act 246 of 2008 (the DCH budget act for FY 2008-09) directs the DCH to complete a study on the costs associated with expanding the State's prescription drug website and report any findings to the Legislature by May 1, 2009. This study should provide a reasonable estimate of the fiscal impact associated with expanding the website.

Date Completed: 3-4-09

Fiscal Analyst: Matthew Grabowski