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Gov. Whitmer Signs Bipartisan Bills to Lower Prescription Drug Costs for Michiganders

Governor Whitmer's Prescription Drug Task Force Recommendations Enacted into Law

LANSING, Mich. -- Governor Gretchen Whitmer today signed House Bills 4348, 4351, and 4352 to lower the costs of prescription drugs for Michiganders, ensure that pharmacists can provide honest advice to patients about treatment options, and hold pharmacy benefit managers accountable.

"I am proud to sign this bipartisan legislation that helps us lower the cost of prescription drugs," said **Governor Whitmer**. "For too long, unlicensed pharmacy benefit managers have been able to engage in practices that drive up costs for Michiganders whose lives and health depend on critical prescription drugs like insulin. This bill brings much-needed transparency to our healthcare system and is a testament to what we can do when we put Michiganders first. I am grateful for the work of my Prescription Drug Task Force for their recommendations and our legislative partners who joined with us to get this done."

"As a senior and in my volunteer work with Detroit Area Agency on Aging and St. Frances Cabrini Clinic in Detroit, I personally know the impact of prescription drug costs," said **Nancy Courtney**. "This legislation is a step towards a Michigan where no family will have to choose between filling a prescription or putting food on the table. I am thankful for the work of the legislature, Governor Whitmer, and the prescription drugs task force to pass this bill and lower costs for Michigan families."

"Meijer cares about the communities we serve and are proud to support this legislation, which will help lower the costs of quality medications for our 2.2 million Michigan pharmacy customers," said **Rick Keyes, Meijer President & CEO**. "Our 2,200 Michigan Pharmacy team members work hard to serve these customers, from dispensing 18 million prescriptions to administering 1.8 million COVID-19 vaccines throughout Michigan. This bill makes pricing practices fairer, increases transparency, and helps our customers afford the medications they need to live healthy lives."

"In 2017, 32% of Michigan residents stopped taking their medication as prescribed due to the cost," said bill sponsor **Rep. Julie Calley**. "This impactful new law will directly improve the affordability and access of prescriptions. It also adds much needed transparency into our healthcare system."

“I applaud the governor for signing this bill into law,” said **Rep. Angela Witwer**. “I’ve worked tirelessly to address escalating drug costs since becoming a state legislator. No one should have to choose between purchasing food and an essential medication, least of all our seniors who have given so much to our communities. I’m proud of the work we accomplished on both sides of the aisle and will continue to fight to ensure that our community members receive the medication they need.”

Legislation Details

House Bill 4348 provides for the licensure of pharmacy benefit managers (PBMs) in Michigan by the Department of Insurance and Financial Services (DIFS). The legislation:

- Helps make necessary medications affordable for Michigan families,
- Prohibits PBMs from practicing “spread pricing” in which PBMs drive up costs when reimbursing pharmacists for prescription drugs,
- Prohibits PBMs from forcing pharmacists to sign “gag clauses” so that pharmacists can communicate openly and honestly with patients about options,
- Charges DIFS with the responsibility to regulate PBMs licenses, and
- Requires PBMs to file transparency reports with DIFS to ensure Michiganders have access to information about the backend cost and profits of the medications they are prescribed.

House Bill 4351:

- Prohibits a pharmacy benefit manager (PBM) or carrier from:
 - Requiring a patient to pay a co-pay that is higher than the selling cost of the drug dispensed to him or her,
 - Excluding or discriminating against a pharmacy solely because the carrier does not have a vested financial interest in the pharmacy, or
 - Discriminating against 340B Program entities – the 340 Program is a federal program that provides medication to Medicaid patients at a discount.
- Makes PBMs and health insurance carriers third party administrators, requiring them to maintain a certificate of authority and follow TPA conduct requirements.

House Bill 4352:

- Allows pharmacists to provide the current selling price of a drug the pharmacy dispenses or comparative current selling prices of generic and brand name drugs it dispenses without being asked.
- Prohibits pharmacies or pharmacists from agreeing to a contract that:
 - Prohibits disclosure of drug prices and comparative selling prices of generic and brand name drugs,
 - Violates the provisions of HB 4351 relating to 340B entities and carrier prohibitions, or
 - Prevents or interferes with a patient’s right to receive an eligible drug from a 340B entity.

House Bills 4348, 4351, and 4352 are based off recommendations by Governor Whitmer’s Prescription Drugs Task Force. The Task Force worked with health policy experts, bipartisan members of the

legislature, and stakeholders to discuss solutions to lower the costs of prescription medications for Michigan families.

Lowering the cost of insulin

In the governor's 2022 State of the State address, she laid out a key proposal to work with the legislature and Attorney General Dana Nessel to hold drug companies accountable, lower the cost of insulin for Michigan families, and save lives. Attorney General Nessel has an ongoing investigation into the practices of one of the three largest drug manufacturers in the United States and is seeking to use the Michigan Consumer Protection Act to investigate the role of drug companies in raising prices. A bipartisan bill in the legislature would cap insulin prices at \$50 a month.

House Bill 4348 will lower the costs of prescription drugs for Michigan families and help Michiganders afford medication, including insulin.