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BILL ANALYSIS

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House Bill 6323 (Substitute S-2 as reported)
Sponsor: Representative Gary A. Newell
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to allow prescriptions to be transmitted via facsimile or electronic transmission; extend regulations regarding smoking in public places to hospitals; and prohibit an individual from smoking on hospital property, unless he or she were a patient and the prohibition would be detrimental to his or her treatment as defined by medical conditions identified by the collective hospital medical staff.

Specifically, except as provided in Article 7 (Controlled Substances) and the Federal Food, Drug, and Cosmetic Act, a prescription could be transmitted electronically as long as it was transmitted in compliance with the Federal Health Insurance Portability and Accountability Act or regulations promulgated under it, by a prescriber or the prescriber's authorized agent and the data were not modified or altered in the transmission process. The electronic equipment or system used in the transmission and communication of prescriptions would have to provide adequate confidentiality safeguards. Before dispensing a prescription that was electronically transmitted, the pharmacist would have to exercise professional judgment regarding its accuracy, validity, and authenticity.

A person or governmental agency that owned or operated a hospital would be subject to civil fines and liability for failure to comply with Part 126 (Smoking in Public Places). A hospital owner or operator would have to post signs or the international "no smoking" symbol at the entrance to and in every building in conspicuous places that were visible to patients, employees, and visitors stating that smoking on hospital property was prohibited.

The bill's amendments regarding smoking would take effect on January 1, 2008. If the terms of a collective bargaining agreement in effect on that date for employees of a hospital were inconsistent with Part 126 as amended by the bill, then the bill would not apply to that hospital or those employees until after the collective bargaining agreement expired.

MCL 333.7405 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Use of electronically transmitted prescriptions could increase administrative efficiency and decrease fraud for entities that dispense pharmaceutical products. This could lead to a minor decrease in the cost of providing health insurance for employees of State or local government and those enrolled in the Medicaid program. State- or locally operated medical facilities also could see a small decrease in administrative cost through greater use of electronic prescribing.

Individuals who violated the smoking prohibition on hospital property could be subject to a civil fine. This would increase revenue available to State and local government.

Date Completed: 12-8-06

Fiscal Analyst: David Fosdick