

HOUSE BILL No. 5254

September 29, 2005, Introduced by Reps. Newell, Emmons, Caswell, Taub, Vander Veen, Ball, Kahn, Mortimer, Green, Proos, Stahl, Nofs and Pearce and referred to the Committee on Health Policy.

A bill to amend 1984 PA 233, entitled
"Prudent purchaser act,"
(MCL 550.51 to 550.63) by adding sections 3c and 3d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 3C. (1) AN ORGANIZATION THAT ESTABLISHES A PROVIDER PANEL**
2 **OF PHARMACY PROVIDERS SHALL NOT DO ANY OF THE FOLLOWING:**

3 **(A) REQUIRE A PHARMACY PROVIDER TO PARTICIPATE IN A NETWORK,**
4 **CONTRACT, OR ARRANGEMENT FOR PHARMACY BENEFIT SERVICES AS A**
5 **CONDITION FOR PARTICIPATION IN ANY OTHER NETWORK, CONTRACT, OR**
6 **ARRANGEMENT FOR THE PROVISION OF PHARMACY BENEFIT SERVICES.**

7 **(B) PROHIBIT A PHARMACY PROVIDER FROM PARTICIPATING IN A**
8 **NETWORK, CONTRACT, OR ARRANGEMENT FOR PHARMACY BENEFIT SERVICES**
9 **BECAUSE THE PHARMACY PROVIDER PARTICIPATES IN ANY OTHER NETWORK,**

1 CONTRACT, OR ARRANGEMENT FOR THE PROVISION OF PHARMACY BENEFIT
2 SERVICES.

3 (C) TERMINATE ANY PANEL PHARMACY PROVIDER'S CONTRACT FOR
4 PHARMACY BENEFIT SERVICES OR WITHHOLD COMPENSATION DUE A PANEL
5 PHARMACY PROVIDER SOLELY BECAUSE THE PROVIDER HAS COMMUNICATED WITH
6 OR ADVOCATED ON BEHALF OF 1 OR MORE PROSPECTIVE, CURRENT, OR FORMER
7 PANEL PATIENTS CONCERNING THE TERMS OF A PAYER'S HEALTH BENEFIT
8 PLAN THAT RELATE TO THE PATIENT'S NEEDS OR THE METHOD BY WHICH THE
9 PROVIDER IS COMPENSATED FOR SERVICES PROVIDED.

10 SEC. 3D. AN ORGANIZATION THAT ESTABLISHES A PROVIDER PANEL OF
11 PHARMACY PROVIDERS SHALL NOT TERMINATE ANY PANEL PHARMACY
12 PROVIDER'S CONTRACT FOR PHARMACY BENEFIT SERVICES WITHOUT CAUSE,
13 WITHOUT AFFORDING THE PHARMACY PROVIDER A RIGHT TO APPEAL THE
14 DECISION TO A QUALIFIED THIRD-PARTY ARBITRATOR, AND WITHOUT WRITTEN
15 NOTICE OF THE REASONS FOR TERMINATION NOT LESS THAN 60 DAYS BEFORE
16 THE EFFECTIVE TERMINATION DATE UNLESS THE TERMINATION IS BASED ON
17 THE LOSS OF THE PHARMACY'S LICENSE TO PRACTICE PHARMACY, LOSS OF
18 PROFESSIONAL LIABILITY INSURANCE, OR CONVICTION OF FRAUD.
19 TERMINATION OF A CONTRACT BETWEEN AN ORGANIZATION AND A PHARMACY
20 PROVIDER DOES NOT RELEASE THE ORGANIZATION FROM THE OBLIGATION TO
21 MAKE ANY PAYMENT DUE TO THE PHARMACY FOR SERVICES RENDERED.
22 REIMBURSEMENTS TO A PHARMACY PROVIDER FOR COVERED SERVICES SHALL
23 CONTINUE DURING THE APPEALS PROCESS.