

HOUSE BILL NO. 4702

June 11, 2019, Introduced by Reps. Chirkun and Cambensy and referred to the Committee on Government Operations.

A bill to amend 1976 PA 331, entitled "Michigan consumer protection act," (MCL 445.901 to 445.922) by adding section 9b; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 9b. (1) The attorney general shall investigate pricing of**
2 **prescription insulin drugs made available to residents of this**
3 **state to ensure adequate consumer protections in pricing of**
4 **prescription insulin drugs and whether additional consumer**



1 protections are needed.

2 (2) As part of the investigation described in subsection (1),
3 the attorney general shall gather, compile, and analyze information
4 concerning the organization, business practices, pricing
5 information, data, reports, or other information that the attorney
6 general finds necessary to fulfill the requirements of this section
7 from persons engaged in the manufacture or sale of prescription
8 insulin drugs. The attorney general shall also consider any
9 publicly available information related to drug pricing.

10 (3) If necessary to fulfill the reporting requirements of this
11 section, subject to subsection (4), the attorney general may issue
12 an administrative subpoena that requires any of the following to
13 furnish material, answers, data, or other information that is
14 relevant to the investigation:

15 (a) Another state officer, department, or agency.

16 (b) A pharmacy benefits manager or other carrier.

17 (c) A manufacturer of prescription insulin drugs that are made
18 available in this state.

19 (4) A person is not required to provide or disclose trade
20 secrets in connection with an investigation under subsection (1).

21 (5) By November 1, 2020, the attorney general shall issue and
22 make available to the public a report detailing his or her findings
23 from the investigation conducted under this section. The attorney
24 general shall present the report to the governor, the director of
25 the department of insurance and financial services, and the
26 standing committees of the senate and house of representatives with
27 primary responsibility for insurance and health policy issues. The
28 report must include all of the following:

29 (a) A summary of insulin pricing practices and variables that



1 contribute to pricing of health coverage plans.

2 (b) Public policy recommendations to control and prevent
3 overpricing of prescription insulin drugs made available to
4 residents of this state.

5 (c) Any recommendations for amendments to this act to prevent
6 unfair, unconscionable, or deceptive methods, acts, or practices in
7 the conduct of trade or commerce related to the sale of
8 prescription insulin drugs, including the pricing of those drugs.

9 (d) Any other information the attorney general finds necessary
10 to include.

11 (6) As used in this section:

12 (a) "Carrier" means that term as defined in section 3701 of
13 the insurance code of 1956, 1956 PA 218, MCL 500.3701.

14 (b) "Prescription insulin drug" means a prescription drug, as
15 that term is defined in section 17708 of the public health code,
16 1978 PA 368, MCL 333.17708, that contains insulin and is used to
17 treat diabetes.

18 (c) "Trade secret" means that term as defined in section 2 of
19 the uniform trade secrets act, 1998 PA 448, MCL 445.1902.

20 Enacting section 1. Section 9b of the Michigan consumer
21 protection act, 1976 PA 331, MCL 445.909b, is repealed effective
22 December 1, 2020.

23 Enacting section 2. This amendatory act takes effect 90 days
24 after the date it is enacted into law.

