



Michigan Legislative Update

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What will be covered today

Recently passed legislation

PA 60 of 2022 (SB 247) on Prior Authorization Reform

PA 11 of 2022 (HB 4348) on Pharmacy Benefit Manager (PBM) Reform

Ongoing Legislation

HB 4347 on Pharmaceutical Price Transparency

SB 889 to create a Drug Pricing Board

Election Update

Michigan Statewide races for Governor, Secretary of State and Attorney General

State Senate Races

State House Races

State Wide Ballot Initiatives

Prior Authorization Reform SB 247

Passed with near unanimous support in both the Michigan House and Senate the bill was signed into law in April of 2022. Many of the provisions will have delayed implementation dates.

- Requires carriers to put prior authorization requirements and what benefits are subject to prior authorization publicly available on their website by June 2023
- Prior Authorization criteria must now be based on peer-reviewed clinical recommendations, include input from physician specialty organizations and be updated annually.
- Carriers must notify providers of changes in prior authorization procedures (60 days for procedures, 45 days for pharmacy benefits)
- Between June 2023 and May 2024, a carrier has 9 calendar days to respond to a prior auth request. After May 2024 a carrier has 7 calendar days. After June 2023, carrier has 72 hours to respond if a request is marked urgent.
- Starting June 2023, DIFS will aggregate data on prior authorization requests and denials across the health insurance industry

PBM Reform HB 4348

After moving quickly through the House in early 2021, the Senate took months working through this bill before finally passing it unanimously. Most provisions in the bill will take effect Jan 1, 2024.

- Requires licensure of PBMs in Michigan under DIFS including basic financial disclosure and retail pharmacy network adequacy.
- Prohibits a PBM from conducting spread pricing.
- Prohibits a PBM from charging electronic fees to adjudicate or process a claim.
- Prohibits a PBM from steering to a subsidiary retail pharmacy.
- Reforms pharmacy audit procedures to make them more friendly to small businesses.
- Allows for pharmacies to appeal MAC (maximum allowable cost) pricing to ensure reimbursement is at least equal to the cost of the prescription.
- Increases transparency with reporting requirements to DIFS.

Pharmaceutical Price Transparency HB 4347

Originally tie-barred to 4348, this bill still sits in the Senate Health Policy Committee unlikely to pass this session.

- Require pharmaceutical manufacturers to report to DIFS if the acquisition wholesale cost of drug went up 15% in a year or 40% over 3 years.
- Requires reporting when a new drug exceeds the Medicare Part D cost threshold and is not considered a breakthrough treatment.
- Manufacturers would face fines of \$100k per month for non-reporting

Pharmacy Pricing Board SB 889

Introduced by Senator Winnie Brinks, this bill is modeled after Colorado legislation to set up an independent pricing board with DHHS.

- Creates a 5 member Board, appointed by the Governor, as well as a 21 member Drug Advisory Council with a broad base of members to assist the Board.
- The Board, with the assistance of the Council, will identify high cost drugs, drugs that have high cost compared to other therapeutic equivalents, and drugs whose cost poses significant barriers to patients.
- Upon review of a drug that meets that criteria, the Board may set an upper payment limit for Michigan patients.
- The Board would issue an annual report on drug pricing trends, drugs subject to review and make other suggestions to keep down the cost of drugs.

Michigan Gubernatorial Race

DEMOCRATS

Gretchen Whitmer

Nearly \$10 million dollars in the bank and is considered a rising star in the national Democratic politics.

REPUBLICANS

- There's 10 of them running in the primary.
- Board of Canvassers meeting May 26th
- Waiting on Trump endorsement

Michigan Attorney General Race

DEMOCRATS

Dana Nessel

While her fundraising numbers are not impressive she hasn't made too many mistakes.

REPUBLICANS

Matt DePerno

Won a highly contested GOP convention against former speaker and AG candidate Tom Leonard.

Toured the state raising money on election fraud claims.

Endorsed by Donald Trump

Michigan Secretary of State

DEMOCRATS

Jocelyn Benson

Weakest of the 3 Democratic state wide candidates, Republicans have been unable to exploit long SOS wait times or election vulnerability.

REPUBLICANS

Kristina Karamo

Early GOP frontrunner who locked up Trump endorsement.

Considered a fringe candidate who has made public statements the 2020 election was stolen.

Michigan Senate

DEMOCRATS

Redistricting has put many new seats into play as the GOP has controlled the Michigan Senate since the 1980's.

Leadership race between Winnie Brinks, Sylvia Santana and Stephanie Chang.

More returning members due to term limits

REPUBLICANS

Hold 2 to 1 fundraising advantage.

Aric Nesbitt is the next anointed leader.

Key Races: Hertel v Hornberger, Sabo v Bumstead, Kuppa v Webber, LaGrand v Huizenga

Michigan House

DEMOCRATS

Joe Tate likely next leader

Have not controlled the chamber since 2008-2010.

Carol Glanville and the RJ Regan controversy

REPUBLICANS

Hold a sizable fundraising advantage

Matt Hall likely next leader.

Matt Maddock has actively recruited candidates to primary sitting members

Statewide Ballot Initiatives

Citizen initiated laws or constitutional amendments require a certain threshold of signatures to make the November ballot. In the case of an IL, the legislature may adopt the law without the approval of the Governor. For constitutional amendments, if required signatures are met they are placed on the ballot for voter approval.

- Reproductive Freedom, constitutional amendment to codify Roe v Wade and other maternal health care.
- Secure MI Vote, initiated law to require ID to vote and prohibit wide spread mailing of absentee ballots.
- Unlock MI 2, initiated law to weaken executive authority and powers of emergency.
- Let MI Kids Learn A/B, initiated law to allow for student opportunity scholarships or tax credits
- Promote the Vote 2022, constitutional amendment to ensure absentee voting, military ballots county by postmark date, vote by signed statement of identity, allow for ballot drop boxes.
- Raise the Wage, initiated law for \$15 minimum wage
- Michiganders for Fair Lending, initiated law to cap pay day loan interest
- Voters for Transparency and Term Limits, constitutional amendment to change term limits to 12 years total in either chamber and financial disclosure of candidates