

Legislative Analysis



CALCULATION OF DOSAGE UNITS

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<http://www.house.mi.gov/hfa>

House Bill 5072 as reported from committee
Sponsor: Rep Ryan Berman
Committee: Health Policy
Complete to 10-19-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5072 would amend the Public Health Code to specify how the calculation of dosage units is determined.

2020 PA 142¹ added section 17748f to the code, which provides that a pharmacy must obtain a wholesale distributor license if the total number of dosage units of all prescription drugs distributed by the pharmacy to a person during any consecutive 12-month period is more than 5% of the number of dosage units of prescription drugs it distributed and dispensed during that period.

The bill would stipulate that the calculation of that 5% threshold could not include a distribution of a prescription drug that is exempt from the definition of wholesale distribution under 21 USC 353(4)(e). That part of the federal U.S. Code lists a number of types of distribution that do not qualify as wholesale distribution, including intracompany distribution of any drug between members of an affiliate or within a manufacturer; the distribution of a drug, or offer to distribute a drug, among hospitals or other health care entities that are under common control; and the distribution of a drug by the manufacturer of that drug.

MCL 333.17748f

FISCAL IMPACT:

The bill would not have a significant fiscal impact on any unit of state or local government.

POSITIONS:

The following entities indicated support for the bill:

- Department of Licensing and Regulatory Affairs (10-14-21)
- Michigan Pharmacists Association (9-30-21)
- Michigan Health and Hospital Association (9-30-21)
- Michigan Association of Health Plans (10-14-21)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ <http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-0630-ADB70270.pdf>