



Chair Rogers and members of the House Committee on Health Policy:

I'm writing to you today to express Michigan Pharmacists Association (MPA)'s support for HB 4276. This bill codifies longstanding Michigan policies into the social welfare act to help ensure access to pharmacy services for Medicaid beneficiaries.

The Michigan budget boilerplate language has, for many years, codified the dispensing fee and reimbursement methodologies that are used to reimburse pharmacies in a manner that is consistent with CMS rules for Michigan Medicaid patients. Michigan Pharmacists Association has advocated for this policy to be implemented year after year, and today we urge the members of the Health Policy Committee to advance House Bill (HB) 4276 which will enshrine these methodologies in the social welfare act.

Aside from establishing the reimbursement methodology, this legislation also takes great steps toward improving transparency in drug pricing by minimizing claw-backs or extraneous fees charged by pharmacy benefit managers (PBMs). This is vitally important in an environment where PBMs have squeezed pharmacies and health payers (including government payers) to points where access to vital medication services is threatened in rural and underserved areas of Michigan. By codifying this language into law, the legislature is working to protect the most vulnerable patients in the state by supporting access to life-saving medications used to manage both acute and chronic diseases.

Further, HB 4276 takes steps to increase the transparency of PBM activities by requiring key disclosures annually that will be taken into account during the appropriations process of the following year. This information is critical to ensuring fair practices by the PBMs contracted, ostensibly to save the healthcare system money. Disclosure of information such as rebates, discounts, and price concessions—along with information regarding pharmacy reimbursement such as acquisition cost, administrative fees, and reimbursements—will give decision makers such as yourselves the vital information they need to create a lean and efficient mechanism for payment of pharmacy services.

Above all, I want to emphasize HB 4276 will ensure greater access to pharmacy services for all Medicaid patients. These patients are at the greatest risk of suffering the consequences of systemic inequities in the healthcare system. Without the provisions proposed in HB 4276, pharmacies run the very real risk of no longer being able to serve these patients. Please vote to support HB 4276 and support access to pharmacy services for Medicaid patients.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Eric Roath', written in a cursive style.

Eric Roath, PharmD, MBA  
Director of Government Affairs  
Michigan Pharmacists Association