



Michigan Association of Health Plans

S.B. 656

Senate Committee on Reforms, Restructuring & Reinventing

November 6, 2013

Good Morning Chairman Jansen and Members of the Committee. My name is Rick Murdock I am the Executive Director of the Michigan Association of Health Plans. Our association represents 15 health plans serving over 2.5 Million Michigan citizens in Medicaid, Medicare and Commercial products and 55 business and limited members. Members of MAHP employ nearly 4000 individuals throughout Michigan. With me today is Carrie Germain, RPh., Senior Director of Pharmacy Services at HealthPlus of Michigan and also Chair of MAHP Pharmacy Directors' Committee.

The bill as before you today creates a process in which Medicaid contracted Health Plans and Department of Community Health must respond to Pharmacy's inquiry regarding a Maximum Allowable Cost (MAC) price within 10 business days.

Historically, MAHP opposes legislation that invokes government restrictions on what can be charged in the market place by price controls or cost elements or legislation that adds cost to the delivery of services.

However, in working with Senator Caswell and his office the approach that is now embodied in this version of SB 656 has evolved to one that clearly outlines a process, including timeframe that enables Pharmacies to track pricing information and would be workable within our industry.

In reviewing this legislation and how it has evolved, the MAHP Executive Committee has taken a neutral position on this bill.

Ms. Germain will now highlight the general dynamics occurring in the Maximum Allowable Pricing for generic products in Michigan and how this process should work as stipulated in this legislation. We would be happy to answer any questions following that discussion.