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BILL ANALYSIS



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Senate Bill 778 (as introduced 2-10-16)
Sponsor: Senator Tonya Schuitmaker
Committee: Health Policy

Date Completed: 6-6-16

CONTENT

The bill would amend the Public Health Code to do the following:

- Include in the definition of "prescription" a standing order issued by the chief medical executive of the State.
- Allow the chief medical executive to issue a standing order that did not identify a particular patient for the purpose of dispensing an opioid antagonist.
- Allow pharmacists to dispense an opioid antagonist to any individual pursuant to the standing order.
- Provide that the chief medical executive, or a pharmacist who dispensed an opioid antagonist as authorized under the bill, would not be liable in a civil action for a properly stored and dispensed opioid antagonist that was a proximate cause of injury or death to an individual due to either the administration of or the failure to administer an opioid antagonist.
- Require the Department of Health and Human Services (DHHS) to promulgate rules to implement these provisions.
- Require a reference to the standing order to be included on a receipt furnished to the purchaser of the prescription drug.

The chief medical executive is the Director of the DHHS if he or she is a physician or, if not, a physician designated by the Director.)

MCL 333.7422 et al.

BACKGROUND

A substance that is an "opioid antagonist" can counteract the effects of overdose from either prescription drugs or heroin. In particular, a fast-acting medication called naloxone can be used to treat someone who is having, or is suspected of having, an overdose.

A "standing order" is a written order issued by the chief medical executive of a state that allows the distribution of specific prescription drugs by designated people, such as pharmacists, to other people who meet the criteria outlined in the written order.

FISCAL IMPACT

The bill would have an indeterminate, but likely minor fiscal impact on the Department of Health and Human Services, and no fiscal impact on local government. Under the bill, the DHHS would be required to promulgate rules regarding the implementation of a standing

order for opioid antagonists. The cost to promulgate rules would depend largely on their complexity, and those costs would be borne by existing DHHS resources.

Opioid antagonists are covered under the State's Medicaid program. To the extent that the bill would increase use of these prescription drugs, the State would face increased costs. If increased access to opioid antagonists resulted in a reduction in covered visits to hospitals for treatment of the effects of a drug overdose, the State would see a potential reduction in Medicaid costs, which could partially or completely offset the costs related to increased use. The same cost impacts also would be reflected in health care costs for governmental employees.

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