

**SUBSTITUTE FOR
SENATE BILL NO. 1179**

A bill to amend 1978 PA 368, entitled
"Public health code,"
(MCL 333.1101 to 333.25211) by adding section 17757c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 17757c. (1) Except as otherwise provided in subsection**
2 **(2), a manufacturer, wholesaler, or wholesale distributor-broker**
3 **shall not do any of the following:**

4 **(a) Deny, restrict, prohibit, condition, discriminate against,**
5 **or otherwise limit the acquisition of a 340B drug by a 340B entity.**

6 **(b) Deny, restrict, prohibit, condition, discriminate against,**
7 **or otherwise limit the acquisition of a 340B drug by, or the**
8 **delivery of a 340B drug to, a pharmacy that is under contract with**
9 **or otherwise authorized by a 340B entity to receive a 340B drug on**

1 behalf of the 340B entity.

2 (c) Designate a person to act on behalf of the manufacturer,
3 wholesaler, or wholesale distributor-broker to engage in the
4 conduct described in subdivision (a) or (b).

5 (2) A manufacturer, wholesaler, or wholesale distributor-
6 broker may engage in the conduct prohibited under subsection (1) if
7 otherwise authorized by a law of this state or federal law.

8 (3) Beginning July 1, 2026, and each July 1 thereafter, a 340B
9 entity shall submit a report to the department, in a form and
10 manner required by the department, and to the house of
11 representatives and senate fiscal agencies. The report must include
12 all of the following for the 340B entity's 340B program:

13 (a) The name of the 340B entity submitting the report.

14 (b) A copy of the 340B entity's annual 340B program
15 recertification.

16 (c) If a community health needs assessment is required under
17 section 501(r) (3) (A) of the internal revenue code of 1986, 26 USC
18 501, a copy of the 340B entity's community health needs assessment.

19 (d) An affidavit affirming that the 340B entity is in
20 compliance with 42 USC 256b(a) (5) (A) (i).

21 (e) An affidavit affirming that the 340B entity is in
22 compliance with 340B program audits.

23 (f) A description of any adverse 340B program audits within
24 the preceding 12 months.

25 (g) A description of the impact of the 340B program on the
26 patients and the community served by the 340B entity.

27 (4) Beginning July 1, 2026, and each July 1 thereafter, a
28 manufacturer shall submit a report to the department and the house
29 of representatives and senate fiscal agencies on any prescription

1 drug that exceeds \$40.00 for the cost of 1 course of treatment and
2 that has had more than a 15% increase in its wholesale acquisition
3 cost during the preceding 12 months. The report must be submitted
4 in a form and manner required by the department and include all of
5 the following:

6 (a) The name of the manufacturer submitting the report.

7 (b) The name of the prescription drug included in the report.

8 (c) Whether the prescription drug has a brand name or generic
9 name, whether the prescription drug is a biological drug product or
10 an interchangeable biological drug product, and any variation of
11 the name of the drug.

12 (d) The wholesale acquisition cost of the prescription drug
13 and the schedule of wholesale acquisition cost increases for the
14 preceding 5 years.

15 (e) The year the prescription drug was introduced into the
16 market.

17 (f) The wholesale acquisition cost of the prescription drug at
18 the time the prescription drug was introduced into the market.

19 (g) The cost of producing 1 course of treatment of the
20 prescription drug, including, but not limited to, whether or when
21 the prescription drug needs compounding immediately before
22 dispensing.

23 (h) The expiration date of the patent for the prescription
24 drug.

25 (i) Each form of the drug dispensed, including, but not
26 limited to, by oral pill, tablet, capsule, suppository, liquid,
27 tincture, topical cream or ointment, or topical patch or other
28 wearable, or by intravenous, port, peripherally inserted central
29 catheter, or other method.

1 (5) The department shall post each report received by it under
2 subsections (3) and (4) on the department's publicly accessible
3 website.

4 (6) As used in this section:

5 (a) "340B drug" means a covered outpatient drug as that term
6 is defined in 42 USC 1396r-8.

7 (b) "340B entity" means a covered entity as that term is
8 defined in 42 USC 256b.

9 (c) "340B program" means the federal 340B drug pricing program
10 authorized under 42 USC 256b.

11 (d) "340B program audit" means an audit performed under 42 USC
12 256b.

13 Enacting section 1. This amendatory act does not take effect
14 unless Senate Bill No. 952 of the 102nd Legislature is enacted into
15 law.