

PHARMACY BENEFIT MANAGER LICENSURE AND REGULATION ACT (EXCERPT)
Act 11 of 2022

550.819 Definitions; R to W.

Sec. 9.

As used in this act:

(a) "Rebate" means a formulary discount or remuneration attributable to the use of prescription drugs that is paid by a manufacturer or third party, directly or indirectly, to a pharmacy benefit manager after a claim has been adjudicated at a pharmacy. Rebate does not include a fee, including, but not limited to, a bona fide service fee or administrative fee, that is not a formulary discount or remuneration described in this subdivision.

(b) "Retail pharmacy" means a pharmacy that dispenses prescription drugs to the public at retail primarily to individuals that reside in close proximity to the pharmacy, typically by face-to-face interaction with the individual or the individual's caregiver.

(c) "Rule" means a rule promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(d) "Specialty drug" means a drug that provides treatment for serious, chronic, or life-threatening diseases that is covered under a patient's health plan or by a patient's carrier to which any of the following apply:

(i) The cost of the drug exceeds the drug cost threshold established by the Centers for Medicare and Medicaid Services under the Medicare Part D program.

(ii) The drug requires special administration, including, but not limited to, injection, infusion, or inhalation.

(iii) The drug requires unique storage, handling, or distribution.

(iv) The drug requires special oversight, intensive monitoring, complex education and support, or care coordination with a person licensed under article 15 of the public health code, 1978 PA 368, MCL 333.16101 to 333.18838.

(e) "Specialty pharmacy" means a pharmacy that dispenses specialty drugs to patients and that is nationally accredited by an independent third party.

(f) "Spread pricing" means the model of prescription drug pricing in which a pharmacy benefit manager charges a health plan a contracted price for prescription drugs, and the contracted price for the prescription drugs differs from the amount the pharmacy benefit manager directly or indirectly pays the pharmacist or pharmacy for pharmacist services.

(g) Except as otherwise provided in subdivision (h), "third party" means a person that is not an enrollee or insured in a health plan.

(h) "Third party" does not include a pharmacy benefit manager.

(i) "Wholesale distributor" means that term as defined in section 17709 of the public health code, 1978 PA 368, MCL 333.17709.

History: 2022, Act 11, Eff. Jan. 1, 2024