## Michigan Governor Signs Three Bills Addressing PBM and Insurer Discrimination Against 340B Entities and Contract Pharmacies

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Michigan Gov. Gretchen Whitmer (D) signed three bills today that prohibit pharmacy benefit managers (PBMs) and insurance carriers from discriminating against 340B covered entities and their contract pharmacies.

HB 4348 says PBMs and insurers shall not prohibit entities or their contract pharmacies from participating in their provider networks solely based on the entities and pharmacies' 340B status, nor reimburse entities or contract pharmacies differently than other similarly situated pharmacies.



HB 4351 largely repeats HB 4348's language about 340B, and adds that PBMs, insurers, or other third parties "shall not, except as required by law to prevent a duplicate rebate, require a claim for a drug to include a modifier or otherwise to indicate that the drug is a 340B drug unless the claim is for payment, directly or indirectly, by the Medicaid program."

HB 4352 prohibits pharmacies or pharmacists from signing a contract with a PBM "that prevents or interferes with in any manner a patient's choice to receive an eligible prescription drug from a 340B entity or a pharmacy when dispensing a 340B drug."

All three bills regulate PBMs and insurers more broadly. All are based on recommendations by the governor's Prescription Drug Task Force.

"For too long, unlicensed pharmacy benefit managers have been able to engage in practices that drive up costs for Michiganders whose lives and health depend on critical prescription drugs like insulin," Whitmer <u>said during a bill signing ceremony</u> at a retail pharmacy in Lansing. She said the legislation "brings much-needed transparency to our healthcare system and is a testament to what we can do when we put Michiganders first."

Nearly a dozen other states are considering similar legislation addressing PBMs and insurers' 340B policies. At least five states are considering bills addressing drug manufacturers' conditions on 340B pricing when covered entities use contract pharmacies.