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Title: Lowest Cost Prescription Co-Payments
Introduced by: Robert Levine, MD, for the Oakland County Delegation
Original Author: Robert Levine, MD
Referred to: Reference Committee B
House Action: **APPROVED AS AMENDED**

Whereas, many insurance policies have co-pays for prescription medications, and

Whereas, many pharmacies offer some medications for no-charge or for a relatively low fee, and

Whereas, the fee pharmacies charge 'cash-payment' customers may be less than the co-pay prescription fee that the pharmacy will charge a consumer with a co-pay, and

Whereas, some states have passed rules that require pharmacies to inform patients that their "cash" price is less than the co-pay price, and

Whereas, it has been implied that pharmacies may be contractually prohibited from informing consumers that their "cash" price is less than their insurance co-pay for a given prescription, and

Whereas, some states have passed laws that would require pharmacies to charge consumers the lowest fee whether it is the consumer's co-pay or cash basis fee; therefore be it

RESOLVED: That MSMS seek legislation that would require pharmacies to charge patients the lowest fee possible for a prescription whether that fee is their "cash-basis" fee or the insurance company's co-pay fee.

WAYS AND MEANS COMMITTEE FISCAL NOTE: \$25,000 or more as this resolution directs MSMS to engage in legislative advocacy.

Relevant MSMS Policy: None

Relevant AMA Policy:

Price of Medicine H-110.991
Our AMA: (1) advocates that pharmacies be required to list the full retail price of the prescription on the receipt along with the co-pay that is required in order to better inform our patients of the price of their medications; (2) will pursue legislation requiring pharmacies to inform patients of the actual cash price as well as the formulary price of any medication prior to the purchase of the medication; (3) opposes provisions in pharmacies' contracts with pharmacy benefit managers that prohibit pharmacists from disclosing that a patient's co-pay is higher than the drug's cash price; (4) will disseminate model state legislation to promote increased drug price and cost transparency and to prohibit "clawbacks" and standard gag clauses in contracts between pharmacies and pharmacy benefit managers (PBMs) that bar pharmacists from telling consumers about less-expensive options for purchasing their medication; and (5) supports physician education regarding drug price and cost transparency and challenges patients may encounter at the pharmacy point-of-sale.