



**Written Testimony in Opposition to Senate Bill 704**

**Submitted by**

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**To**

**Michigan House of Representatives  
*Regulatory Reform Committee***

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Chair Crawford, Majority Vice-Chair McBroom, Minority Vice-Chair Haugh, and Members of the Committee on Regulatory Reform, CVS Caremark respectfully submits testimony in opposition to Senate Bill (SB) 704, a bill that would amend Part 177 (Pharmacy Practice and Drug Control) of the Public Health Code.

CVS Caremark (CVS) is the leading annual provider of prescriptions in the nation. CVS fills in excess of 1 billion prescriptions each year through our 7,600 CVS/pharmacy retail stores, in addition to several mail order pharmacy facilities across the country. In Michigan, CVS operates 249 retail pharmacies, and a distribution center, all of which employ over 5,300 Michigan residents, including 684 pharmacists.

**Why CVS Caremark Opposes SB 704 as Currently Drafted**

CVS operates six mail order pharmacy facilities outside of the state of Michigan that may provide prescriptions to Michigan's residents. Each facility is licensed to do business in the state of Michigan as a non-resident pharmacy. Under existing Michigan law, the pharmacist in charge (PIC) of each facility is required to be licensed in their respective state, as well as comply with Michigan rules and regulations. SB 704 seeks to change this regulatory scheme to onerously require that the PIC at each of these out-of-state facilities be individually licensed by the state of Michigan. That includes San Antonio, Texas, Mt. Prospect, Illinois and Honolulu, Hawaii to name a few.

While CVS supports the Michigan Legislature's desire to protect its residents, the PIC Michigan licensing requirement under SB 704, as it relates to non-resident pharmacies, in our opinion does not accomplish this goal.

SB 704's PIC mandate, as it relates to non-resident pharmacies, provides no additional enforcement leverage. The Michigan Department of Licensing and Regulatory Affairs (LARA) have all the requisite enforcement tools against non-resident pharmacies because these

pharmacies are licensed by the state of Michigan, thereby under its regulatory reach and subject to its rules, regulations and penalties. To further require that the PIC of an already Michigan licensed facility also be licensed in Michigan provides for an unnecessary mandate with little to no benefit justifying the burden. Additionally, the fact must be pointed out that a chain of custody is already in existence for every prescription that leaves one of our mail facilities and no prescription ever leaves one of our mail facilities or one of our retail locations without first being verified and approved by a licensed pharmacist.

### **Consider a Minor Amendment to SB 704**

If SB 704 is enacted, Michigan will be out-of step with the majority of states on the PIC issue. It will also be moving against the national trend of removing such a requirement as was recently done in Florida and Arizona. We strongly urge the Members of this Committee to amend the bill to exempt non-resident pharmacies licensed by the state of Michigan from the PIC Michigan licensing requirement. CVS would welcome the opportunity to work with the sponsors and supporters of this bill to draft appropriate language for such an amendment.

### **Conclusion**

CVS Caremark supports rational regulation that is not redundant or imposes unnecessary logistical and administrative burdens, which is why we cannot support SB 704 as currently worded. The PIC language is an impediment to providing efficient pharmacy services to the residents of Michigan. For the reasons addressed above, we respectfully request that you reject the PIC requirements contained within SB 704. Thank you for your time and consideration.

Sincerely and Respectfully,



Erik Woehrmann