

SENATE BILL No. 492

June 22, 2017, Introduced by Senators HANSEN, GREEN, BOOHER, KNOLLENBERG, BIEDA, WARREN, SCHMIDT, PROOS, JONES, MARLEAU, HILDENBRAND, CASPERSON, YOUNG, HERTEL, JOHNSON and COLBECK and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 3406u.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 3406U. (1) A HEALTH INSURANCE POLICY DELIVERED, ISSUED
2 FOR DELIVERY, OR RENEWED IN THIS STATE THAT PROVIDES COVERAGE FOR
3 PRESCRIBED ORALLY ADMINISTERED ANTICANCER MEDICATIONS AND
4 INTRAVENOUSLY ADMINISTERED OR INJECTED ANTICANCER MEDICATIONS MUST
5 ENSURE BOTH OF THE FOLLOWING:

6 (A) THAT THE HEALTH INSURANCE POLICY ENSURES EITHER OF THE
7 FOLLOWING:

8 (i) THAT FINANCIAL REQUIREMENTS APPLICABLE TO PRESCRIBED
9 ORALLY ADMINISTERED ANTICANCER MEDICATIONS ARE NO MORE RESTRICTIVE
10 THAN THE FINANCIAL REQUIREMENTS APPLIED TO INTRAVENOUSLY
11 ADMINISTERED OR INJECTED ANTICANCER MEDICATIONS THAT ARE COVERED BY

1 THE HEALTH INSURANCE POLICY AND THAT THERE ARE NO SEPARATE COST-
2 SHARING REQUIREMENTS THAT ARE APPLICABLE ONLY TO PRESCRIBED ORALLY
3 ADMINISTERED ANTICANCER MEDICATIONS.

4 (ii) THAT THE FINANCIAL REQUIREMENT FOR ORALLY ADMINISTERED
5 ANTICANCER MEDICATION DOES NOT EXCEED \$100.00 PER 30-DAY SUPPLY.
6 BEGINNING JANUARY 1, 2019, AND EACH JANUARY 1 THEREAFTER, THE
7 DEPARTMENT SHALL ADJUST THE FINANCIAL REQUIREMENT DESCRIBED IN THIS
8 SUBPARAGRAPH BY AN AMOUNT DETERMINED BY THE STATE TREASURER THAT
9 REFLECTS THE CUMULATIVE ANNUAL CHANGE IN THE PRESCRIPTION DRUG
10 INDEX OF THE MEDICAL CARE COMPONENT OF THE UNITED STATES CONSUMER
11 PRICE INDEX.

12 (B) THAT TREATMENT LIMITATIONS APPLICABLE TO PRESCRIBED ORALLY
13 ADMINISTERED ANTICANCER MEDICATIONS ARE NO MORE RESTRICTIVE THAN
14 THE TREATMENT LIMITATIONS APPLIED TO INTRAVENOUSLY ADMINISTERED OR
15 INJECTED ANTICANCER MEDICATIONS THAT ARE COVERED BY THE HEALTH
16 INSURANCE POLICY AND THAT THERE ARE NO SEPARATE TREATMENT
17 LIMITATIONS THAT ARE APPLICABLE ONLY TO PRESCRIBED ORALLY
18 ADMINISTERED ANTICANCER MEDICATIONS.

19 (2) BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT
20 THAT ADDED THIS SECTION, AN INSURER CANNOT ACHIEVE COMPLIANCE WITH
21 THIS SECTION BY DOING ANY OF THE FOLLOWING:

22 (A) INCREASING FINANCIAL REQUIREMENTS.

23 (B) RECLASSIFYING BENEFITS WITH RESPECT TO ANTICANCER
24 MEDICATIONS.

25 (C) IMPOSING MORE RESTRICTIVE TREATMENT LIMITATIONS ON
26 PRESCRIBED ORALLY ADMINISTERED ANTICANCER MEDICATIONS OR
27 INTRAVENOUSLY ADMINISTERED OR INJECTED ANTICANCER MEDICATIONS

1 COVERED UNDER THE POLICY, CERTIFICATE, OR CONTRACT.

2 (3) FOR A HEALTH INSURANCE POLICY THAT IS A HIGH-DEDUCTIBLE
3 PLAN AS THAT TERM IS DEFINED IN 26 USC 223(C)(2), THE REQUIREMENTS
4 UNDER SUBSECTION (1)(A) APPLY ONLY AFTER THE MINIMUM ANNUAL
5 DEDUCTIBLE SPECIFIED IN 26 USC 223(C)(2) IS REACHED.

6 (4) THIS SECTION DOES NOT PROHIBIT AN INSURER FROM APPLYING
7 UTILIZATION MANAGEMENT TECHNIQUES, INCLUDING PRIOR AUTHORIZATION,
8 STEP THERAPY, LIMITS ON QUANTITY DISPENSED, AND DAYS' SUPPLY PER
9 FILL FOR ANY ADMINISTERED ANTICANCER MEDICATION.

10 (5) THIS SECTION DOES NOT APPLY TO A HEALTH INSURANCE POLICY
11 THAT PROVIDES COVERAGE FOR SPECIFIC DISEASES OR ACCIDENTS ONLY, OR
12 TO A HOSPITAL INDEMNITY, MEDICARE SUPPLEMENT, LONG-TERM CARE,
13 DISABILITY INCOME, OR 1-TIME LIMITED DURATION POLICY OR CERTIFICATE
14 THAT HAS A TERM OF 6 MONTHS OR LESS.

15 (6) IF ALL OF THE FOLLOWING APPLY, AN INSURER IS NOT REQUIRED
16 TO COMPLY WITH SUBSECTION (1) BEGINNING THE NEXT BENEFIT YEAR AFTER
17 THE DATE ON WHICH ALL OF THE FOLLOWING APPLY:

18 (A) THE INSURER SUBMITS TO THE DEPARTMENT A WRITTEN REQUEST
19 THAT THE DEPARTMENT CONDUCT A STUDY MEASURING THE IMPACT OF
20 IMPLEMENTING SUBSECTION (1). IN CONDUCTING THE STUDY, THE
21 DEPARTMENT SHALL CONSIDER BOTH OF THE FOLLOWING:

22 (i) THE INSURER'S COSTS FOR CLAIMS AND ADMINISTRATIVE EXPENSES
23 TO DETERMINE IF FOR A PERIOD OF AT LEAST 6 MONTHS COMPLIANCE WITH
24 SUBSECTION (1) WILL INDEPENDENTLY CAUSE THE INSURER'S COSTS FOR
25 CLAIMS AND ADMINISTRATIVE EXPENSES FOR ALL COVERED BENEFITS TO
26 INCREASE BY MORE THAN 1% PER YEAR.

27 (ii) IF THE INCREASE IN COSTS DESCRIBED IN SUBPARAGRAPH (i)

1 REASONABLY JUSTIFIES AN INCREASE OF MORE THAN 1% IN THE ANNUAL
2 PREMIUMS OR RATES CHARGED BY THE INSURER.

3 (B) SUBJECT TO SUBSECTION (7), THE DEPARTMENT DETERMINES BOTH
4 OF THE FOLLOWING FROM THE STUDY CONDUCTED UNDER SUBDIVISION (A):

5 (i) COMPLIANCE WITH SUBSECTION (1) FOR A PERIOD OF AT LEAST 6
6 MONTHS WILL INDEPENDENTLY CAUSE THE INSURER'S COSTS FOR CLAIMS AND
7 ADMINISTRATIVE EXPENSES FOR ALL COVERED BENEFITS TO INCREASE MORE
8 THAN 1% PER YEAR.

9 (ii) THE INCREASE IN COSTS DESCRIBED IN SUBPARAGRAPH (i)
10 REASONABLY JUSTIFIES AN INCREASE OF MORE THAN 1% IN THE ANNUAL
11 PREMIUMS OR RATES CHARGED BY THE INSURER.

12 (7) THE DEPARTMENT MAY REQUEST INFORMATION FROM THE INSURER
13 NEEDED TO COMPLETE THE STUDY UNDER SUBSECTION (6). THE INSURER
14 SHALL PROVIDE THE INFORMATION TO THE DEPARTMENT WITHIN 14 DAYS
15 AFTER THE DEPARTMENT'S REQUEST UNDER THIS SUBSECTION.

16 (8) THE DEPARTMENT SHALL MAKE THE DETERMINATION UNDER
17 SUBSECTION (6) (B) WITHIN 90 DAYS AFTER RECEIVING THE INSURER'S
18 WRITTEN REQUEST SUBMITTED UNDER SUBSECTION (6) (A).

19 (9) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2), THIS
20 SECTION APPLIES TO HEALTH INSURANCE POLICIES DELIVERED, EXECUTED,
21 ISSUED, AMENDED, ADJUSTED, OR RENEWED IN THIS STATE, OR OUTSIDE OF
22 THIS STATE IF COVERING RESIDENTS OF THIS STATE, AFTER DECEMBER 31,
23 2018.

24 (10) AS USED IN THIS SECTION:

25 (A) "ANTICANCER MEDICATION" MEANS A MEDICATION USED TO KILL,
26 SLOW, OR PREVENT THE GROWTH OF CANCEROUS CELLS.

27 (B) "FINANCIAL REQUIREMENT" MEANS DEDUCTIBLES, COPAYMENTS,

1 COINSURANCE, OUT-OF-POCKET EXPENSES, AGGREGATE LIFETIME LIMITS, AND
2 ANNUAL LIMITS.

3 (C) "TREATMENT LIMITATION" MEANS LIMITS ON THE FREQUENCY OF
4 TREATMENT, DAYS OF COVERAGE, OR OTHER SIMILAR LIMITS ON THE SCOPE
5 OR DURATION OF TREATMENT. TREATMENT LIMITATION DOES NOT INCLUDE THE
6 APPLICATION OF UTILIZATION MANAGEMENT TECHNIQUES DESCRIBED IN
7 SUBSECTION (4).