

SUBSTITUTE FOR  
SENATE BILL NO. 541

A bill to amend 1980 PA 350, entitled  
"The nonprofit health care corporation reform act,"  
(MCL 550.1101 to 550.1704) by adding section 416e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 416E. (1) A HEALTH CARE CORPORATION GROUP OR NONGROUP  
2        CERTIFICATE THAT PROVIDES COVERAGE FOR PRESCRIBED, ORALLY  
3        ADMINISTERED CANCER MEDICATIONS AND INTRAVENOUSLY ADMINISTERED OR  
4        INJECTED CANCER MEDICATIONS SHALL ENSURE BOTH OF THE FOLLOWING:  
5        (A) THAT FINANCIAL REQUIREMENTS APPLICABLE TO PRESCRIBED  
6        ORALLY ADMINISTERED CANCER MEDICATIONS ARE NO MORE RESTRICTIVE THAN  
7        THE FINANCIAL REQUIREMENTS APPLIED TO INTRAVENOUSLY ADMINISTERED OR  
8        INJECTED CANCER MEDICATIONS THAT ARE COVERED BY THE CERTIFICATE AND  
9        THAT THERE ARE NO SEPARATE COST-SHARING REQUIREMENTS THAT ARE  
10       APPLICABLE ONLY TO PRESCRIBED ORALLY ADMINISTERED CANCER

1 MEDICATIONS.

2 (B) THAT TREATMENT LIMITATIONS APPLICABLE TO PRESCRIBED ORALLY  
3 ADMINISTERED CANCER MEDICATIONS ARE NO MORE RESTRICTIVE THAN THE  
4 TREATMENT LIMITATIONS APPLIED TO INTRAVENOUSLY ADMINISTERED OR  
5 INJECTED CANCER MEDICATIONS THAT ARE COVERED BY THE CERTIFICATE AND  
6 THAT THERE ARE NO SEPARATE TREATMENT LIMITATIONS THAT ARE  
7 APPLICABLE ONLY TO PRESCRIBED ORALLY ADMINISTERED CANCER  
8 MEDICATIONS.

9 (2) A HEALTH CARE CORPORATION CANNOT ACHIEVE COMPLIANCE WITH  
10 THIS SECTION BY INCREASING FINANCIAL REQUIREMENTS OR IMPOSING MORE  
11 RESTRICTIVE TREATMENT LIMITATIONS ON PRESCRIBED ORALLY ADMINISTERED  
12 CANCER MEDICATIONS OR INTRAVENOUSLY ADMINISTERED OR INJECTED CANCER  
13 MEDICATIONS COVERED UNDER THE CERTIFICATE ON THE EFFECTIVE DATE OF  
14 THE AMENDATORY ACT THAT ADDED THIS SECTION.

15 (3) THIS SECTION DOES NOT PROHIBIT A HEALTH CARE CORPORATION  
16 FROM INCREASING COST-SHARING FOR ALL BENEFITS.

17 (4) THIS SECTION DOES NOT PROHIBIT A HEALTH CARE CORPORATION  
18 FROM APPLYING UTILIZATION MANAGEMENT TECHNIQUES, INCLUDING PRIOR  
19 AUTHORIZATION, STEP THERAPY, LIMITS ON QUANTITY DISPENSED, AND  
20 DAYS' SUPPLY PER FILL FOR AN ORALLY ADMINISTERED CANCER MEDICATION.

21 (5) AS USED IN THIS SECTION:

22 (A) "CANCER MEDICATION" MEANS A MEDICATION USED TO KILL OR  
23 SLOW THE GROWTH OF CANCEROUS CELLS.

24 (B) "FINANCIAL REQUIREMENT" MEANS DEDUCTIBLES, COPAYMENTS,  
25 COINSURANCE, OUT-OF-POCKET EXPENSES, AGGREGATE LIFETIME LIMITS, AND  
26 ANNUAL LIMITS.

27 (C) "TREATMENT LIMITATION" MEANS LIMITS ON THE FREQUENCY OF

1 TREATMENT, DAYS OF COVERAGE, OR OTHER SIMILAR LIMITS ON THE SCOPE  
2 OR DURATION OF TREATMENT.

3 Enacting section 1. This amendatory act takes effect 6 months  
4 after the date it is enacted into law.