

# SENATE BILL No. 429

June 14, 2011, Introduced by Senators SCHUITMAKER, BIEDA, GLEASON, JANSEN, KAHN, WALKER, ROBERTSON, JONES, HUNE and EMMONS 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 2212c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 2212C. (1) EFFECTIVE JANUARY 1, 2012, EACH INSURER  
2        ISSUING AN EXPENSE-INCURRED HOSPITAL, MEDICAL, OR SURGICAL POLICY  
3        OR CERTIFICATE, HEALTH MAINTENANCE ORGANIZATION, OR HEALTH CARE  
4        CORPORATION OPERATING PURSUANT TO THE NONPROFIT HEALTH CARE  
5        CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO 550.1704,  
6        SHALL REQUIRE AND ACCEPT THE STANDARD PRIOR AUTHORIZATION FORM  
7        DEVELOPED UNDER SUBSECTION (3) WHEN REQUIRING PRIOR AUTHORIZATION  
8        FOR PRESCRIPTION DRUG BENEFITS FOR ANY POLICY, CERTIFICATE, OR  
9        CONTRACT THAT REQUIRES PRIOR AUTHORIZATION FOR PRESCRIPTION DRUG  
10       BENEFITS.

11       (2) IF A HEALTH INSURER, HEALTH MAINTENANCE ORGANIZATION, OR

1 HEALTH CARE CORPORATION FAILS TO REQUIRE, FAILS TO ACCEPT, OR FAILS  
2 TO RESPOND WITHIN 48 HOURS OF SUBMISSION BY A PHYSICIAN OF A  
3 PROPERLY COMPLETED STANDARD PRIOR AUTHORIZATION FORM DEVELOPED  
4 UNDER SUBSECTION (3), THE PRIOR AUTHORIZATION REQUEST SHALL BE  
5 CONSIDERED TO HAVE BEEN GRANTED.

6 (3) BY JANUARY 1, 2012, THE COMMISSIONER SHALL DEVELOP A  
7 STANDARD PRIOR AUTHORIZATION FORM THAT, NOTWITHSTANDING ANY OTHER  
8 PROVISION OF LAW, EVERY PHYSICIAN SHALL USE TO REQUEST PRIOR  
9 AUTHORIZATION FOR PRESCRIPTION DRUGS. THE COMMISSIONER SHALL HOLD  
10 NOT LESS THAN 1 PUBLIC HEARING TO GATHER INPUT FROM INTERESTED  
11 PARTIES IN DEVELOPING THE STANDARD PRIOR AUTHORIZATION FORM. THE  
12 STANDARD PRIOR AUTHORIZATION FORM SHALL MEET ALL OF THE FOLLOWING:

13 (A) SHALL NOT EXCEED 2 PAGES.

14 (B) SHALL BE ELECTRONICALLY AVAILABLE.

15 (C) SHALL BE ELECTRONICALLY TRANSMISSIBLE.

16 Enacting section 1. This amendatory act does not take effect  
17 unless Senate Bill No. 430

18 of the 96th Legislature is enacted into law.