

REPRINT
SUBSTITUTE FOR
SENATE BILL NO. 1242
(As passed the Senate May 22, 2002)

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 416C. (1) A HEALTH CARE CORPORATION GROUP OR NONGROUP
2 CERTIFICATE THAT PROVIDES PHARMACEUTICAL COVERAGE SHALL PROVIDE
3 COVERAGE FOR AN OFF-LABEL USE OF A FEDERAL FOOD AND DRUG ADMINIS-
4 TRATION APPROVED DRUG AND THE REASONABLE COST OF SUPPLIES MEDI-
5 CALLY NECESSARY TO ADMINISTER THE DRUG.
- 6 (2) COVERAGE FOR A DRUG UNDER SUBSECTION (1) APPLIES IF ALL
7 OF THE FOLLOWING CONDITIONS ARE MET:
- 8 (A) THE DRUG IS APPROVED BY THE FEDERAL FOOD AND DRUG
9 ADMINISTRATION.
- 10 (B) THE DRUG IS PRESCRIBED BY AN ALLOPATHIC OR OSTEOPATHIC
11 PHYSICIAN FOR THE TREATMENT OF EITHER OF THE FOLLOWING:

SB1242, As Passed House, June 27, 2002

Senate Bill No. 1242

2

1 (i) A LIFE-THREATENING CONDITION SO LONG AS THE DRUG IS MEDICALLY
NECESSARY TO TREAT THAT CONDITION AND THE DRUG IS ON THE PLAN FORMULARY
OR ACCESSIBLE THROUGH THE HEALTH PLAN'S FORMULARY PROCEDURES.

2 (ii) A CHRONIC AND SERIOUSLY DEBILITATING CONDITION SO LONG
3 AS THE DRUG IS MEDICALLY NECESSARY TO TREAT THAT CONDITION AND
4 THE DRUG IS ON THE PLAN FORMULARY OR ACCESSIBLE THROUGH THE
5 HEALTH PLAN'S FORMULARY PROCEDURES.

6 (C) THE DRUG HAS BEEN RECOGNIZED FOR TREATMENT FOR THE CON-
7 DITION FOR WHICH IT IS PRESCRIBED BY 1 OF THE FOLLOWING:

8 (i) THE AMERICAN MEDICAL ASSOCIATION DRUG EVALUATIONS.

9 (ii) THE AMERICAN HOSPITAL FORMULARY SERVICE DRUG
10 INFORMATION.

11 (iii) THE UNITED STATES PHARMACOPOEIA DISPENSING INFORMA-
12 TION, VOLUME 1, "DRUG INFORMATION FOR THE HEALTH CARE
13 PROFESSIONAL".

14 (iv) TWO ARTICLES FROM MAJOR PEER-REVIEWED MEDICAL JOURNALS
15 THAT PRESENT DATA SUPPORTING THE PROPOSED OFF-LABEL USE OR USES
16 AS GENERALLY SAFE AND EFFECTIVE UNLESS THERE IS CLEAR AND CON-
17 VINING CONTRADICTORY EVIDENCE PRESENTED IN A MAJOR PEER-REVIEWED
18 MEDICAL JOURNAL.

19 (3) UPON REQUEST, THE PRESCRIBING ALLOPATHIC OR OSTEOPATHIC
20 PHYSICIAN SHALL SUPPLY TO THE HEALTH CARE CORPORATION DOCUMEN-
21 TATION SUPPORTING COMPLIANCE WITH SUBSECTION (2).

22 (4) THIS SECTION DOES NOT PROHIBIT THE USE OF A COPAYMENT,
23 DEDUCTIBLE, SANCTION,
24 OR A MECHANISM FOR APPROPRIATELY CONTROLLING THE UTILIZATION OF A
25 DRUG THAT IS PRESCRIBED FOR A USE DIFFERENT FROM THE USE FOR
WHICH THE DRUG HAS BEEN APPROVED BY THE FOOD AND DRUG

26 ADMINISTRATION. THIS MAY INCLUDE PRIOR APPROVAL OR A DRUG
27 UTILIZATION REVIEW PROGRAM. ANY COPAYMENT, DEDUCTIBLE, SANCTION, PRIOR
APPROVAL, DRUG

SB1242, As Passed House, June 27, 2002

S04909'01 (S-1) R-1

SB1242, As Passed House, June 27, 2002

Senate Bill No. 1242

3

1 UTILIZATION REVIEW PROGRAM, OR MECHANISM DESCRIBED IN THIS
2 SUBSECTION SHALL NOT BE MORE RESTRICTIVE THAN FOR PRESCRIPTION
3 COVERAGE GENERALLY.

4 (5) AS USED IN THIS SECTION:

5 (A) "CHRONIC AND SERIOUSLY DEBILITATING" MEANS A DISEASE OR
6 CONDITION THAT REQUIRES ONGOING TREATMENT TO MAINTAIN REMISSION
7 OR PREVENT DETERIORATION AND THAT CAUSES SIGNIFICANT LONG-TERM
8 MORBIDITY.

9 (B) "LIFE-THREATENING" MEANS A DISEASE OR CONDITION WHERE
10 THE LIKELIHOOD OF DEATH IS HIGH UNLESS THE COURSE OF THE DISEASE
11 IS INTERRUPTED OR THAT HAS A POTENTIALLY FATAL OUTCOME WHERE THE
12 END POINT OF CLINICAL INTERVENTION IS SURVIVAL.

13 (C) "OFF-LABEL" MEANS THE USE OF A DRUG FOR CLINICAL INDICA-
14 TIONS OTHER THAN THOSE STATED IN THE LABELING APPROVED BY THE
15 FEDERAL FOOD AND DRUG ADMINISTRATION.

Enacting section 1. This amendatory act takes effect 180 days after
the date this amendatory act is enacted.