

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 832

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
(MCL 400.1 to 400.119b) by adding section 109h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 109h. (1) If the department of community health  
2 develops a prior authorization process for prescription drugs as  
3 part of the pharmaceutical services offered under the medical  
4 assistance program administered under this act, it shall not  
5 require prior authorization for the following single source brand  
6 name, generic equivalent of a multiple source brand name, or  
7 other prescription drugs:

8       (a) A central nervous system prescription drug that is  
9 classified as an anticonvulsant, antidepressant, antipsychotic,  
10 or a noncontrolled substance antianxiety drug in a generally  
11 accepted standard medical reference.

## Senate Bill No. 832 (H-2) as amended June 22, 2004

1 (b) A prescription drug that is cross-indicated for a central  
2 nervous system drug exempted under subdivision (a) as documented  
3 in a generally accepted standard medical reference.

4 (c) Unless the prescription drug is a controlled substance or  
5 the prescription drug is being prescribed to treat a condition  
6 that is excluded from coverage under this act, a prescription  
7 drug that is recognized in a generally accepted standard medical  
8 reference as effective in the treatment of conditions specified  
9 in the most recent diagnostic and statistical manual of mental  
10 disorders published by the American psychiatric association. The  
11 department or the department's agent shall not deny a request for  
12 prior authorization of a controlled substance under this  
13 subdivision unless the department or the department's agent  
14 determines that the controlled substance or the dosage of the  
15 controlled substance being prescribed is not consistent with its  
16 licensed indications or with generally accepted medical practice  
17 as documented in a standard medical reference.

18 (d) A prescription drug that is recognized in a generally  
19 accepted standard medical reference for the treatment of and is  
20 being prescribed to a patient for the treatment of any of the  
21 following:

22 (i) Human immunodeficiency virus infections or the  
23 complications of the human immunodeficiency virus or acquired  
24 immunodeficiency syndrome.

25 (ii) Cancer.

26 (iii) Organ replacement therapy.

27 (iv) Epilepsy or seizure disorder.

[(2) This section does not apply to drugs being provided under a  
contract between the department and a health maintenance organization.]

## Senate Bill NO. 832 (H-2) as amended June 22, 2004

1        [(3)] As used in this section:

2        (a) "Controlled substance" means that term as defined in  
3 section 7104 of the public health code, 1978 PA 368, MCL  
4 333.7104.

5        (b) "Cross-indicated" means a drug which is used for a  
6 purpose generally held to be reasonable, appropriate, and within  
7 community standards of practice even though the use is not  
8 included in the federal food and drug administration's approved  
9 labeled indications for that drug.

10       (c) "Department" means the department of community health.

11       (d) "Prescriber" means that term as defined in section 17708  
12 of the public health code, 1978 PA 368, MCL 333.17708.

13       (e) "Prescription" or "prescription drug" means that term as  
14 defined in section 17708 of the public health code, 1978 PA 368,  
15 MCL 333.17708.

16       (f) "Prior authorization" means a process implemented by the  
17 department of community health that conditions, delays, or denies  
18 the delivery of particular pharmaceutical services to medicaid  
19 beneficiaries upon application of predetermined criteria by the  
20 department or the department's agent for those pharmaceutical  
21 services covered by the department on a fee-for-service basis or  
22 pursuant to a contract for those services. The process may  
23 require a prescriber to verify with the department or the  
24 department's agent that the proposed medical use of a  
25 prescription drug being prescribed for a patient meets the  
26 predetermined criteria for a prescription drug that is otherwise  
27 covered under this act or require a prescriber to obtain

1 authorization from the department or the department's agent  
2 before prescribing or dispensing a prescription drug that is not  
3 included on a preferred drug list or that is subject to special  
4 access or reimbursement restrictions.