

Legislative Analysis



ALLOW ACCESS BY HEALTH INSURERS TO CONTROLLED SUBSTANCES DATA SYSTEM

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House Bill 4369

Sponsor: Rep. Lesia Liss

Committee: Health Policy

Complete to 3-9-11

A REVISED SUMMARY OF HOUSE BILL 4369 AS INTRODUCED 3-2-11

The bill would allow the Department of Community Health to provide data relating to the dispensing and prescribing of certain controlled substances to health insurance carriers and similar entities.

The Department of Community Health (DCH) maintains an electronic system for monitoring Schedule 2, 3, 4, and 5 controlled substances that are dispensed by veterinarians and licensed pharmacists and dispensing prescribers. The data collected includes patient identifiers, the name and quantity of the controlled substance dispensed, the date dispensed, and the name of the prescriber and dispenser. Notwithstanding any practitioner-patient privilege, the director of the DCH is permitted by statute to provide data obtained by the electronic monitoring system to the licensing boards of those authorized to prescribe, administer, or dispense controlled substances; departmental employees; law enforcement officials who enforce drug laws; a state-operated Medicaid program; governmental employees who hold a search warrant or subpoena for the records; a practitioner or pharmacist who requests information for the purpose of providing medical or pharmaceutical treatment to a current patient; or an individual under contract to administer the electronic monitoring system.

House Bill 4369 would amend the Public Health Code (MCL 333.7333a) to also permit the director of the DCH to provide data from the electronic monitoring system to a health care payment or benefit provider for the purposes of ensuring patient safety and investigating fraud and abuse.

"Health care payment or benefit providers" would mean a person providing health benefits, coverage, or insurance in the state. The term would include a health insurance company, a nonprofit health care corporation (Blue Cross and Blue Shield of Michigan), an HMO, a multiple employer welfare arrangement, a Medicaid contracted health plan, or any other person providing a plan of health benefits, coverage, or insurance subject to state insurance regulation.

The bill would also delete an obsolete provision requiring a report by October 1, 2002 on the need for a paper prescription form that would minimize the potential for forgery.

(Note: The health code prohibits a person who receives data or any report from the DCH containing any patient identifiers of the electronic system from providing it to any other person or entity except by a court order.)

FISCAL IMPACT:

House Bill 4369 as introduced will result in administrative costs to the Department of Community Health to provide data or database access to requesting health insurance entities. The Department's costs will depend on the volume and nature of requests and the process established to provide data. There are no state Medicaid program savings related to the provisions of this bill.

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