

SUBSTITUTE FOR  
SENATE BILL NO. 540

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3406s.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 3406S. (1) AN EXPENSE-INCURRED HOSPITAL, MEDICAL, OR  
2        SURGICAL POLICY OR CERTIFICATE DELIVERED, ISSUED FOR DELIVERY, OR  
3        RENEWED IN THIS STATE AND A HEALTH MAINTENANCE ORGANIZATION GROUP  
4        OR INDIVIDUAL CONTRACT THAT PROVIDES COVERAGE FOR PRESCRIBED ORALLY  
5        ADMINISTERED CANCER MEDICATIONS AND INTRAVENOUSLY ADMINISTERED OR  
6        INJECTED CANCER MEDICATIONS SHALL ENSURE BOTH OF THE FOLLOWING:  
7        (A) THAT FINANCIAL REQUIREMENTS APPLICABLE TO PRESCRIBED  
8        ORALLY ADMINISTERED CANCER MEDICATIONS ARE NO MORE RESTRICTIVE THAN  
9        THE FINANCIAL REQUIREMENTS APPLIED TO INTRAVENOUSLY ADMINISTERED OR  
10       INJECTED CANCER MEDICATIONS THAT ARE COVERED BY THE POLICY,

1 CERTIFICATE, OR CONTRACT AND THAT THERE ARE NO SEPARATE COST-  
2 SHARING REQUIREMENTS THAT ARE APPLICABLE ONLY TO PRESCRIBED ORALLY  
3 ADMINISTERED CANCER MEDICATIONS.

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

11 (2) AN INSURER OR HEALTH MAINTENANCE ORGANIZATION CANNOT  
12 ACHIEVE COMPLIANCE WITH THIS SECTION BY INCREASING FINANCIAL  
13 REQUIREMENTS OR IMPOSING MORE RESTRICTIVE TREATMENT LIMITATIONS ON  
14 PRESCRIBED ORALLY ADMINISTERED CANCER MEDICATIONS OR INTRAVENOUSLY  
15 ADMINISTERED OR INJECTED CANCER MEDICATIONS COVERED UNDER THE  
16 POLICY, CERTIFICATE, OR CONTRACT ON THE EFFECTIVE DATE OF THE  
17 AMENDATORY ACT THAT ADDED THIS SECTION.

18 (3) THIS SECTION DOES NOT PROHIBIT AN INSURER OR HEALTH  
19 MAINTENANCE ORGANIZATION FROM INCREASING COST-SHARING FOR ALL  
20 BENEFITS.

21 (4) THIS SECTION DOES NOT PROHIBIT AN INSURER OR HEALTH  
22 MAINTENANCE ORGANIZATION FROM APPLYING UTILIZATION MANAGEMENT  
23 TECHNIQUES, INCLUDING PRIOR AUTHORIZATION, STEP THERAPY, LIMITS ON  
24 QUANTITY DISPENSED, AND DAYS' SUPPLY PER FILL FOR AN ORALLY  
25 ADMINISTERED CANCER MEDICATION.

26 (5) AS USED IN THIS SECTION:

27 (A) "CANCER MEDICATION" MEANS A MEDICATION USED TO KILL OR

1 SLOW THE GROWTH OF CANCEROUS CELLS.

2 (B) "FINANCIAL REQUIREMENT" MEANS DEDUCTIBLES, COPAYMENTS,  
3 COINSURANCE, OUT-OF-POCKET EXPENSES, AGGREGATE LIFETIME LIMITS, AND  
4 ANNUAL LIMITS.

5 (C) "TREATMENT LIMITATION" MEANS LIMITS ON THE FREQUENCY OF  
6 TREATMENT, DAYS OF COVERAGE, OR OTHER SIMILAR LIMITS ON THE SCOPE  
7 OR DURATION OF TREATMENT.

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