

SUBSTITUTE FOR  
SENATE BILL NO. 625

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 3406U. (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 ANTICANCER MEDICATIONS AND INTRAVENOUSLY ADMINISTERED  
6        OR INJECTED ANTICANCER MEDICATIONS MUST ENSURE BOTH OF THE  
7        FOLLOWING:

8        (A) THAT THE POLICY, CERTIFICATE, OR CONTRACT ENSURES EITHER  
9        OF THE FOLLOWING:

10       (i) THAT FINANCIAL REQUIREMENTS APPLICABLE TO PRESCRIBED ORALLY  
11       ADMINISTERED ANTICANCER MEDICATIONS ARE NO MORE RESTRICTIVE THAN  
12       THE FINANCIAL REQUIREMENTS APPLIED TO INTRAVENOUSLY ADMINISTERED OR

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1 INJECTED ANTICANCER MEDICATIONS THAT ARE COVERED BY THE POLICY,  
2 CERTIFICATE, OR CONTRACT AND THAT THERE ARE NO SEPARATE COST-  
3 SHARING REQUIREMENTS THAT ARE APPLICABLE ONLY TO PRESCRIBED ORALLY  
4 ADMINISTERED ANTICANCER MEDICATIONS.

5 (ii) THAT THE FINANCIAL REQUIREMENT FOR ORALLY ADMINISTERED  
6 ANTICANCER MEDICATION DOES NOT EXCEED \$100.00 PER 30-DAY SUPPLY.  
7 BEGINNING JANUARY 1, 2018, AND EACH JANUARY 1 THEREAFTER, THE  
8 DEPARTMENT SHALL ADJUST THE FINANCIAL REQUIREMENT DESCRIBED IN THIS  
9 SUBPARAGRAPH BY AN AMOUNT DETERMINED BY THE <<DEPARTMENT>> THAT  
10 REFLECTS THE CUMULATIVE ANNUAL CHANGE IN THE PRESCRIPTION DRUG  
11 INDEX OF THE MEDICAL CARE COMPONENT OF THE UNITED STATES CONSUMER  
12 PRICE INDEX.

13 (B) THAT TREATMENT LIMITATIONS APPLICABLE TO PRESCRIBED ORALLY  
14 ADMINISTERED ANTICANCER MEDICATIONS ARE NO MORE RESTRICTIVE THAN  
15 THE TREATMENT LIMITATIONS APPLIED TO INTRAVENOUSLY ADMINISTERED OR  
16 INJECTED ANTICANCER MEDICATIONS THAT ARE COVERED BY THE POLICY,  
17 CERTIFICATE, OR CONTRACT AND THAT THERE ARE NO SEPARATE TREATMENT  
18 LIMITATIONS THAT ARE APPLICABLE ONLY TO PRESCRIBED ORALLY  
19 ADMINISTERED ANTICANCER MEDICATIONS.

20 (2) BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT  
21 THAT ADDED THIS SECTION, AN INSURER OR HEALTH MAINTENANCE  
22 ORGANIZATION CANNOT ACHIEVE COMPLIANCE WITH THIS SECTION BY DOING  
23 ANY OF THE FOLLOWING:

24 (A) INCREASING FINANCIAL REQUIREMENTS.

25 (B) RECLASSIFYING BENEFITS WITH RESPECT TO ANTICANCER  
26 MEDICATIONS.

27 (C) IMPOSING MORE RESTRICTIVE TREATMENT LIMITATIONS ON

1    PRESCRIBED ORALLY ADMINISTERED ANTICANCER MEDICATIONS OR  
2    INTRAVENOUSLY ADMINISTERED OR INJECTED ANTICANCER MEDICATIONS  
3    COVERED UNDER THE POLICY, CERTIFICATE, OR CONTRACT.

4           (3) FOR A POLICY, CERTIFICATE, OR CONTRACT THAT IS A HIGH  
5    DEDUCTIBLE PLAN AS THAT TERM IS DEFINED IN 26 USC 223(C)(2), THE  
6    REQUIREMENTS UNDER SUBSECTION (1)(A) APPLY ONLY AFTER THE MINIMUM  
7    ANNUAL DEDUCTIBLE SPECIFIED IN 26 USC 223(C)(2) IS REACHED.

8           (4) THIS SECTION DOES NOT PROHIBIT AN INSURER OR HEALTH  
9    MAINTENANCE ORGANIZATION FROM APPLYING UTILIZATION MANAGEMENT  
10   TECHNIQUES, INCLUDING PRIOR AUTHORIZATION, STEP THERAPY, LIMITS ON  
11   QUANTITY DISPENSED, AND DAYS' SUPPLY PER FILL FOR ANY ADMINISTERED  
12   ANTICANCER MEDICATION.

13          (5) THIS SECTION DOES NOT APPLY TO A POLICY, CERTIFICATE, OR  
14   CONTRACT THAT PROVIDES COVERAGE FOR SPECIFIC DISEASES OR ACCIDENTS  
15   ONLY, OR TO A HOSPITAL INDEMNITY, MEDICARE SUPPLEMENT, LONG-TERM  
16   CARE, DISABILITY INCOME, OR 1-TIME LIMITED DURATION POLICY OR  
17   CERTIFICATE THAT HAS A TERM OF 6 MONTHS OR LESS.

18          (6) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2), THIS  
19   SECTION APPLIES TO POLICIES, CERTIFICATES, AND CONTRACTS DELIVERED,  
20   EXECUTED, ISSUED, AMENDED, ADJUSTED, OR RENEWED IN THIS STATE, OR  
21   OUTSIDE OF THIS STATE IF COVERING RESIDENTS OF THIS STATE, AFTER  
22   DECEMBER 31, 2016.

23          (7) AS USED IN THIS SECTION:

24           (A) "ANTICANCER MEDICATION" MEANS A MEDICATION USED TO KILL,  
25   SLOW, OR PREVENT THE GROWTH OF CANCEROUS CELLS.

26           (B) "FINANCIAL REQUIREMENT" MEANS DEDUCTIBLES, COPAYMENTS,  
27   COINSURANCE, OUT-OF-POCKET EXPENSES, AGGREGATE LIFETIME LIMITS, AND

1 ANNUAL LIMITS.

2 (C) "TREATMENT LIMITATION" MEANS LIMITS ON THE FREQUENCY OF  
3 TREATMENT, DAYS OF COVERAGE, OR OTHER SIMILAR LIMITS ON THE SCOPE  
4 OR DURATION OF TREATMENT.