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Senate Bill 879 (as introduced 4-24-20)
Sponsor: Senator Peter MacGregor
Committee: Health Policy and Human Services

Date Completed: 5-13-20

CONTENT

The bill would amend the Insurance Code to require an insurer that delivered, issued for delivery, or renewed in the State a health insurance policy that provided coverage for prescription drugs to provide coverage for emergency and early refills that met certain requirements during the state of emergency declared under Executive Order No. 2020-4 or any extension of the Order.

Under the Code, an insurer that delivers, issues for delivery, or renews in the State a health insurance policy that provides coverage for prescription drugs and limits those benefits to drugs included in a formulary must do the following:

- Provide for participation of participating physicians, dentists, and pharmacists in the development of the formulary.
- Disclose to health care providers and upon request to insureds the nature of the formulary restrictions.
- Provide for exceptions from the formulary limitation when a nonformulary alternative is a medically necessary and appropriate alternative.

Upon request for an expedited review of coverage for a nonformulary alternative based on exigent circumstances, an insurer must make a determination and notify the enrollee or the enrollee's designee and the prescribing physician, or other prescriber, as appropriate, of the determination within 24 hours after the insurer receives all information necessary to determine whether the exception should be granted. If this does not apply, an insurer must make a determination on coverage for a nonformulary alternative and notify the enrollee or the enrollee's designee and the prescribing physician, or other prescriber of the determination within 72 hours after the insurer receives all information necessary for the determination. Under the bill, these provisions would be subject to Section 3406v.

The bill would create Section 3406v to specify that, during the state of emergency declared under Executive Order No. 2020-4 or any extension of that order, an insurer that delivered, issued for delivery, or renewed in the State a health insurance policy that provided coverage for prescription drugs would have to do both of the following: a) provide coverage for an emergency refill of up to a 60-day supply of any noncontrolled maintenance medication; and b) provide coverage for an early refill of any 30-day or 60-day prescription maintenance drug to allow for up to a 90-day supply, without regard to whether the pharmacy was mail order or in-person.

(Executive Order 2020-4 declared a state of emergency in response to the Coronavirus disease 2019 (COVID-19) pandemic. The state of emergency has been extended by several subsequent orders, including Executive Order 2020-33.)

MCL 500.3406o et al.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would require health insurers to allow early and emergency refills of prescriptions during the COVID-19 state of emergency. Because in some cases the early and emergency refills could last longer than some of the original scripts (60 or 90 days), there could be marginal indeterminate savings from lower dispensing fee costs.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.