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BILL ANALYSIS

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Senate Bill 397 (as introduced 6-11-25)
Sponsor: Senator Kevin Hertel
Committee: Health Policy

Date Completed: 6-17-25

CONTENT

The bill would amend Section 109h of the Social Welfare Act to prohibit the Department of Health and Human Services (DHHS) from requiring prior authorization under Medicaid for a prescription drug that was recognized in a generally accepted standard medical reference for the treatment of and was being prescribed to a patient for the treatment of opioid use disorder, including buprenorphine/naloxone tablets that were more than 32 milligrams.

Section 109h of the Act requires the DHHS to exempt certain prescription drugs from any prior authorization the DHHS develops under Medicaid.

"Prior authorization" means a process implemented by the DHHS that conditions, delays, or denies the delivery of particular pharmaceutical services to Medicaid beneficiaries upon application of predetermined criteria by the DHHS or the DHHS's agent for those pharmaceutical services covered by the DHHS on a fee-for-service basis or according to a contract for those services.

Among other drugs exempt from prior authorization, the Act currently exempts a prescription drug that is recognized in a generally accepted standard medical reference for the treatment of and is being prescribed to a patient for the treatment of opioid withdrawal symptom management. The bill also would exempt a drug that treats opioid use disorder, including buprenorphine/naloxone tablets that are more than 32 milligrams.

MCL 400.109h

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill could have an indeterminate but likely minimal fiscal impact on the DHHS through the State's Medicaid program and no fiscal impact on local units of government. Currently, Medicaid policy restricts buprenorphine/naloxone tablets to a 32 milligram per day limit under the State's Single Preferred Drug List. Additionally, the State's pharmaceutical common formulary lists buprenorphine/naloxone tablets as available only in 8 milligram tablets.

The bill would eliminate the need for prior authorization for buprenorphine/naloxone tablets exceeding 32 milligrams per day. Fiscal implications for the DHHS would result from the effective removal of the existing 32 milligrams/day cap and the introduction of larger dosage tablets to the common formulary list. The exact fiscal impact remains uncertain due to the potential range of costs associated with these policy modifications.

Fiscal Analyst: John P. Maxwell

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