

Act No. 176
Public Acts of 1999
Approved by the Governor
November 15, 1999
Filed with the Secretary of State
November 16, 1999
EFFECTIVE DATE: November 16, 1999

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999**

**Introduced by Reps. DeRossett, Ehardt, Birkholz, Howell, Caul, Woronchak, Richardville, Shackleton, Gilbert, Julian, Faunce, Bisbee, Kowall, Hager, Van Woerkom and Scranton
Reps. Allen, Basham, Bishop, Bovin, Bob Brown, Cameron Brown, Byl, Cassis, DeVuyst, DeWeese, Frank, Gosselin, Hardman, Jansen, Jellema, Rick Johnson, Ruth Johnson, Kuipers, Kukuk, LaSata, Law, Mead, Middaugh, Neumann, Pappageorge, Patterson, Pestka, Prusi, Reeves, Rocca, Scott, Shulman, Stallworth, Vander Roest, Vaughn and Voorhees named co-sponsors**

ENROLLED HOUSE BILL No. 4480

AN ACT to amend 1978 PA 368, entitled "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," (MCL 333.1101 to 333.25211) by adding section 21053f.

The People of the State of Michigan enact:

Sec. 21053f. A health maintenance organization that provides coverage for prescription drugs and limits those benefits to drugs included in a formulary, shall do all of the following:

- (a) Provide for participation of affiliated physicians, dentists, and pharmacists in the development of the formulary.
- (b) Disclose to health professionals and upon request to enrollees the nature of the formulary restrictions.

(c) Provide for exceptions from the formulary limitation when a nonformulary alternative is a medically necessary and appropriate alternative. This subdivision does not prevent a health maintenance organization from establishing prior authorization requirements or another process for consideration of coverage or higher cost-sharing for nonformulary alternatives. Notice as to whether or not an exception under this subdivision has been granted shall be given by the health maintenance organization within 24 hours after receiving all information necessary to determine whether the exception should be granted.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.