

MEDICAL AND PRESCRIPTION DRUG CLAIMS DATA FOR PUBLIC EMPLOYERS

Phone: (517) 373-8080
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Senate Bill 1205 as passed by the Senate
Sponsor: Sen. Phil Pavlov
House Committee: Education Reform
Senate Committee: Michigan Competitiveness
Complete to 12-12-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 1205 would amend the Public Employees Health Benefit Act to revise the kinds of claims data that must be provided to public employers (including school districts).

Currently, when two or more public employers are in an arrangement to provide at least 100 employees with a medical benefit plan, they must be provided with certain claims utilization and cost information in electronic format. The bill would lower the number of employees needed to trigger electronic disclosure of that information from 100 to 50, and also require that the disclosure be in a “spreadsheet-compatible format.”

It would amend the information required for a plan that provides **medical benefits**. Now, the plan must provide the number and total expenditures for hospital and medical claims for each of the past three years, as well as breakdowns of specified claims exceeding \$50,000. Under the bill, the information must be provided each month and must include all of the following:

- Total number of covered employees and individuals, as well as the total number of employees and individuals under each type of coverage (single, two-person, or family).
- Numbers and total expenditures for inpatient claims, outpatient claims, and all other medical claims.

Likewise, it would amend the information required for a plan that provides **prescription drug benefits**. Currently, the plan must provide the amounts charged and paid for prescription, brand, and generic drugs for each of the past three years, as well as the 50 most frequently prescribed brand and generic prescriptions for which claims were made in the most recent experience period. Under the bill, the information would have to be provided monthly, and would have to include the amounts charged and paid for each month, and the total amount charged and paid for **specialty prescription drug** claims for each month. Also, the information would have to include the 50 prescription drugs for which claims were the most frequently paid, and for which expenditures were the largest.

Specialty prescription drug would mean a prescription drug used to treat a rare, complex, or chronic medical condition that requires special administration (including inhalation or infusion); special delivery or special storage; or special oversight, intensive monitoring, or care coordination with a person licensed under

the occupations article of the Public Health Code (which ranges from licensure of medical doctors and nurses to that of massage therapists and veterinarians).

In addition to the information required above, plans that provided **medical or prescription drug benefits** would have to provide information concerning covered individuals whose medical or prescription drug claims (or both) exceeded \$25,000 for any 12-month period for which information was provided. It would have to show the total medical and prescription drug expenditures for the individual, whether he or she was currently covered by the medical benefits plan, and the diagnosis.

The bill would also remove the requirement that information disclosed for dental and optical expenditures show three years' worth of information.

Under the bill, the claims utilization and cost information required would need to be compiled at the request of a public employer, but the public employer could not request that information more than four times per year. That information would have to be compiled within 30 days of the request.

Instead of covering 36 months, the bill would require that it cover 24 months, and require that it be broken down by month ending no more than 60 days before the compilation of information.

[Note: As passed by the Senate, this bill is identical to the as-introduced version of House Bill 6537.]

The bill would take effect 90 days after enactment.

MCL 124.73 and 124.85

FISCAL IMPACT:

Senate Bill 1205 would not have a fiscal impact on any unit of state or local government.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.