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House Bill 4071 (Substitute H-1 as passed by the House)
Sponsor: Representative Samantha Steckloff
House Committee: Health Policy
Senate Committee: Health Policy

Date Completed: 9-26-23

CONTENT

The bill would add Section 3406z to the Insurance Code to require equal financial treatment of orally administered, intravenously administered, and injected anticancer medication. It also would limit the co-pay or coinsurance for orally-administered anticancer medication to \$150 per 30-day supply.

The bill would apply to health insurance policies delivered, issued for delivery, or renewed in Michigan after December 31, 2024.

Specifically, a health insurance policy delivered, issued for delivery, or renewed in Michigan that provided coverage for prescribed orally administered anticancer medications and intravenously administered or injected anticancer medications would have to ensure either of the following:

- That financial requirements applicable to prescribed orally administered anticancer medications were not more restrictive than the financial requirements that applied to intravenously administered or injected anticancer medications that were covered by the health insurance policy.
- That the co-pay or coinsurance for orally administered anticancer medication did not exceed \$150 per 30-day supply; beginning January 1, 2025, and each January 1 after, the Department of Insurance and Financial Services would have to adjust this cap on co-pay or coinsurance by an amount determined by the State Treasurer that reflected the cumulative annual change in the prescription drug index of the medical care component of the United States Consumer Price Index.

"Anticancer medication" would mean a medication used to kill, slow, or prevent the growth of cancerous cells.

An insurer could not achieve compliance with the bill by increasing cost-sharing requirements, reclassifying benefits with respect to anticancer medications, or imposing more restrictive treatment limitations on prescribed orally administered anticancer medications or intravenously administered or injected anticancer medications covered under a health insurance policy described above.

"Cost-sharing requirement" would mean deductibles, copayments, coinsurance, out-of-pocket expenses, aggregate lifetime limits, and annual limits. "Treatment limitation" would mean limits on the frequency of treatment, days of coverage, or other similar limits on the scope or duration of treatment. Treatment limitation would not include the application of utilization management techniques, such as those described below.

The bill would not prohibit an insurer from applying utilization management techniques, including prior authorization, step therapy, limits on quantity dispensed, and days' supply per fill for any administered anticancer medication.

Proposed MCL 500.3406z

PREVIOUS LEGISLATION

(Please note: This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is a reintroduction of House Bill 4354 from the 2021-2022 Legislative Session. House Bill 4354 passed the House but received no further action.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Raczkowski

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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.