

# HOUSE BILL No. 4481

April 15, 1999, Introduced by Reps. Ehardt, Howell, DeRossett, Birkholz, Caul, Woronchak, Richardville, Shackleton, Gilbert, Julian, Faunce, Bisbee, Kowall, Hager, Van Woerkom and Scranton and referred to the Committee on Health Policy.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3406o.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1        SEC. 3406o. AN INSURER THAT DELIVERS, ISSUES FOR DELIVERY,  
2 OR RENEWS IN THIS STATE AN EXPENSE-INCURRED HOSPITAL, MEDICAL, OR  
3 SURGICAL POLICY OR CERTIFICATE THAT PROVIDES COVERAGE FOR PRE-  
4 SCRIPTED DRUGS AND LIMITS THOSE BENEFITS TO DRUGS INCLUDED IN A  
5 FORMULARY SHALL DO ALL OF THE FOLLOWING:
- 6        (A) ENSURE PARTICIPATION OF PARTICIPATING PHYSICIANS AND  
7 PHARMACISTS IN THE DEVELOPMENT OF THE FORMULARY.
- 8        (B) DISCLOSE TO HEALTH CARE PROVIDERS AND UPON REQUEST TO  
9 INSURED THE NATURE OF THE FORMULARY RESTRICTIONS.
- 10       (C) PROVIDE FOR EXCEPTIONS FROM THE FORMULARY LIMITATION  
11 WHEN A NONFORMULARY ALTERNATIVE IS MEDICALLY INDICATED. THIS

**1** SUBDIVISION DOES NOT PREVENT AN INSURER FROM ESTABLISHING HIGHER

**2** COST-SHARING FOR NONFORMULARY ALTERNATIVES.