



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bill 625 (Substitute S-2 as reported)  
Sponsor: Senator Goeff Hansen  
Committee: Insurance

**CONTENT**

The bill would amend the Insurance Code to require a policy, certificate, or contract that provided coverage for prescribed orally administered and intravenously administered or injected anticancer medications to ensure that treatment limitations applicable to the orally administered medications were not more restrictive than those applicable to intravenously administered or injected medications. Additionally, the policy, certificate, or contract would have to ensure either of the following:

- That financial requirements applicable to orally administered medications were not more restrictive than those applicable to intravenously administered or injected medications.
- Beginning January 1, 2018, that the financial requirement for orally administered medication did not exceed \$100 (adjusted annually for inflation) per 30-day supply.

The bill would apply to an expense-incurred hospital, medical, or surgical policy or certificate delivered, issued for delivery, or renewed in this State, as well as a health maintenance organization group or individual contract, that provided coverage for the medications described above. The bill specifies that it would apply to policies, certificates, and contracts delivered, executed, issued, amended, adjusted, or renewed in Michigan, or outside of Michigan if covering Michigan residents, after December 31, 2016.

For a policy, certificate, or contract that is a high-deductible plan, the bill's requirements would apply only after the minimum annual deductible specified in the Internal Revenue Code (\$1,000 for self-only coverage and \$2,000 for family coverage) was reached.

Proposed MCL 500.3406t

Legislative Analyst: Julie Cassidy

**FISCAL IMPACT**

The bill would result in very minor increases in the cost of insurance for State and local government and would have no impact on Medicaid costs.

To the extent that copayments and other out-of-pocket costs are greater for orally administered anticancer medications, the bill would reduce such costs for patients. The reduced costs would effectively be picked up by a small increase in the cost of insurance. Given the limited range of medications affected by this legislation relative to the overall cost of pharmaceuticals and health care in general, the cost increase would be nominal.

The State's Medicaid program has tight limits on cost sharing for pharmaceuticals, so the legislation would have no impact on Medicaid spending.

Date Completed: 4-21-16

Fiscal Analyst: Steve Angelotti