

SENATE BILL NO. 156

February 18, 2021, Introduced by Senators DALEY, LAUWERS, NESBITT, THEIS, HORN and BIZON and referred to the Committee on Health Policy and Human Services.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3406o (MCL 500.3406o), as amended by 2016 PA
276, and by adding section 3406v.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3406o. (1) An insurer that delivers, issues for delivery,
2 or renews in this state a health insurance policy that provides
3 coverage for prescription drugs and limits those benefits to drugs
4 included in a formulary shall do all of the following:

1 (a) Provide for participation of participating physicians,
2 dentists, and pharmacists in the development of the formulary.

3 (b) Disclose to health care providers and upon request to
4 insureds the nature of the formulary restrictions.

5 (c) Provide for exceptions from the formulary limitation when
6 a nonformulary alternative is a medically necessary and appropriate
7 alternative. This subdivision does not prevent an insurer from
8 establishing prior authorization requirements or another process
9 for consideration of coverage or higher cost-sharing for
10 nonformulary alternatives.

11 (2) On a request for an expedited review of coverage for a
12 nonformulary alternative based on exigent circumstances, an insurer
13 shall make a determination and notify the enrollee or the
14 enrollee's designee and the prescribing physician, or other
15 prescriber, as appropriate, of the determination within 24 hours
16 after the insurer receives all information necessary to determine
17 whether the exception should be granted. For purposes of this
18 subsection, exigent circumstances exist when an enrollee is
19 suffering from a health condition that may seriously jeopardize the
20 enrollee's life, health, or ability to regain maximum function or
21 when an enrollee is undergoing a current course of treatment using
22 a nonformulary drug.

23 (3) If subsection (2) does not apply, an insurer shall make a
24 determination on coverage for a nonformulary alternative and notify
25 the enrollee or the enrollee's designee and the prescribing
26 physician, or other prescriber, as appropriate, of the
27 determination within 72 hours after the insurer receives all
28 information necessary to determine whether the exception should be
29 granted.

1 (4) This section is subject to section 3406v.

2 Sec. 3406v. Beginning on the effective date of the amendatory
3 act that added this section, an insurer that delivers, issues for
4 delivery, or renews in this state a health insurance policy that
5 provides coverage for prescription drugs shall provide coverage for
6 an emergency supply of insulin that is covered under an insured's
7 health insurance policy and that is dispensed to the insured by a
8 pharmacist as provided in section 17744f of the public health code,
9 1978 PA 368, MCL 333.17744f.

10 Enacting section 1. This amendatory act does not take effect
11 unless Senate Bill No. 155 of the 101st Legislature is enacted into
12 law.