

ORALLY ADMINISTERED ANTICANCER MEDICATIONS

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House Bill 4071 as introduced
Sponsor: Rep. Samantha Steckloff
Committee: Health Policy
Complete to 5-11-23

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

SUMMARY:

House Bill 4071 would amend the Insurance Code to prohibit a health insurance policy from applying financial requirements to orally administered anticancer medications that are more restrictive than the financial requirements it applies to intravenously administered or injected anticancer medications. However, this would not apply if the co-pay or coinsurance for orally administered anticancer medications under the policy was \$150 or less per 30-day supply.

Under the bill, a health insurance policy delivered, issued for delivery, or renewed in Michigan after December 31, 2023, that provides 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 are not more restrictive than those that apply to intravenously administered or injected anticancer medications that are covered by the policy.
- That the co-pay or coinsurance for orally administered anticancer medication does not exceed \$150 per 30-day supply. (The Department of Insurance and Financial Services would have to adjust this dollar amount annually, beginning January 1, 2025, by the amount determined by the state treasurer to reflect the cumulative annual change in the prescription drug index of the medical care component of the U.S. Consumer Price Index.)

The bill would provide that an insurer could not achieve compliance with these requirements 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 that are covered under the policy. However, the provisions of the bill would not prohibit an insurer from applying *utilization management techniques*.

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*.

Utilization management techniques would include prior authorization, step therapy [a requirement that certain drugs be tried to treat a medical condition before other drugs are covered], limits on quantity dispensed, and days' supply per fill for any administered anticancer medication.

Proposed MCL 500.3406v

BACKGROUND:

House Bill 4071 is a reintroduction of HB 4354 of the 2021-22 legislative session, as passed by the House of Representatives. Similar bills were introduced in each session beginning with the 2011-12 legislative session.

FISCAL IMPACT:

House Bill 4071 would not have any noteworthy direct fiscal impact on the Department of Insurance and Financial Services (DIFS). Under the bill, DIFS would be responsible for annually adjusting the maximum allowable co-pay or coinsurance for orally administered anticancer medication. This activity would likely be sufficiently supported by existing appropriations.

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■ 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.