

HOUSE BILL NO. 4719

June 08, 2023, Introduced by Reps. Rheingans, Miller, Byrnes, Paiz, Tsernoglou, Andrews, Wegela, MacDonell, Coffia, Brabec, Brenda Carter, Pohutsky, Hoskins, Churches, Martus, Wilson, Steckloff, Conlin, Hope, Hill, Bezotte, Outman, Martin, Weiss, Morgan, Edwards, Morse, Haadsma, Farhat and Aiyash and referred to the Committee on Insurance and Financial Services.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 3406z. (1) Subject to section 4 of the health care false**
2 **claim act, 1984 PA 323, MCL 752.1004, a health insurance policy**
3 **that is not a high deductible health plan that is delivered, issued**
4 **for delivery, or renewed in this state that provides coverage for**
5 **prescription drugs must include any amount paid by the enrollee or**

1 paid on behalf of the enrollee by another person when calculating
2 the insured's overall contribution to any out-of-pocket maximum or
3 any cost-sharing requirement.

4 (2) Subject to section 4 of the health care false claim act,
5 1984 PA 323, MCL 752.1004, a health insurance policy that is a high
6 deductible health plan that is delivered, issued for delivery, or
7 renewed in this state that provides coverage for prescription drugs
8 must include any amount paid by the enrollee or paid on behalf of
9 the enrollee by another person when calculating the insured's
10 overall contribution to any out-of-pocket maximum or any cost-
11 sharing requirement. However, if the application of payment by the
12 enrollee or on behalf of the enrollee would cause the enrollee's
13 health savings account to be considered ineligible under section
14 223 of the internal revenue code of 1986, 26 USC 223, the health
15 insurance policy must apply the payment after the minimum
16 deductible under section 223(c)(2)(A) of the internal revenue code
17 of 1986, 26 USC 223, has been satisfied. The health insurance plan
18 must apply the payment described in this subsection for payment of
19 preventive care described in section 223(c)(2)(C) of the internal
20 revenue code of 1986, 26 USC 223, regardless of whether the minimum
21 deductible under section 223(c)(2)(C) of the internal revenue code
22 of 1986, 26 USC 223, has been satisfied.

23 (3) This section applies to a health insurance policy
24 delivered, issued for delivery, or renewed in this state after
25 December 31, 2023.

26 (4) If any provision of this section conflicts with a federal
27 law, the federal law prevails.

28 (5) As used in this section:

29 (a) "Cost-sharing requirement" means any copayment,

1 coinsurance, deductible, or annual limitation on cost sharing,
2 including, but not limited to, a limitation subject to 42 USC
3 18022(c) and 300gg-6(b), required by or on behalf of an insured in
4 order to receive a specific health care service, including a
5 prescription drug, covered by a health insurance policy.

6 (b) "Health savings account" means that term as defined in
7 section 223 of the internal revenue code of 1986, 26 USC 223.

8 (c) "High deductible health plan" means that term as defined
9 in section 223 of the internal revenue code of 1986, 26 USC 223.

10 (d) "Prescription drug" means that term as defined in section
11 17708 of the public health code, 1978 PA 368, MCL 333.17708.
12 However, prescription drug does not include a drug with an AB-rated
13 generic equivalent unless the insured obtains access to the drug
14 through any of the following:

15 (i) Prior authorization.

16 (ii) A step therapy protocol.

17 (iii) The insurer's exception process.