

SUBSTITUTE FOR
HOUSE BILL NO. 4481

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 SCRIPTIION DRUGS AND LIMITS THOSE BENEFITS TO DRUGS INCLUDED IN A
5 FORMULARY SHALL DO ALL OF THE FOLLOWING:
- 6 (A) PROVIDE FOR PARTICIPATION OF PARTICIPATING PHYSICIANS
7 AND PHARMACISTS IN THE DEVELOPMENT OF THE FORMULARY.
- 8 (B) DISCLOSE TO HEALTH CARE PROVIDERS AND UPON REQUEST TO
9 INSUREDS THE NATURE OF THE FORMULARY RESTRICTIONS.
- 10 (C) PROVIDE FOR EXCEPTIONS FROM THE FORMULARY LIMITATION
11 WHEN A NONFORMULARY ALTERNATIVE IS A MEDICALLY NECESSARY AND

HB4481, As Passed House, May 4, 1999

Sub. H.B. 4481 (H-1) as amended April 29, 1999 2

- 1 APPROPRIATE ALTERNATIVE. THIS SUBDIVISION DOES NOT PREVENT AN
- 2 INSURER FROM ESTABLISHING PRIOR AUTHORIZATION REQUIREMENTS OR
- 3 ANOTHER PROCESS FOR CONSIDERATION OF COVERAGE OR HIGHER
- 4 COST-SHARING FOR NONFORMULARY ALTERNATIVES. [NOTICE AS TO WHETHER OR
NOT AN EXCEPTION UNDER THIS SUBDIVISION HAS BEEN GRANTED SHALL BE
GIVEN BY THE INSURER WITHIN 24 HOURS AFTER RECEIVING ALL INFORMATION
NECESSARY TO DETERMINE WHETHER THE EXCEPTION SHOULD BE GRANTED.]