

Legislative Analysis



SYNCHRONIZING MAINTENANCE PRESCRIPTIONS

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Senate Bill 150 as passed by the Senate
Sponsor: Sen. Margaret E. O'Brien
House Committee: Insurance
Senate Committee: Insurance
Complete to 2-10-16

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

(Enacted as Public Act 38 of 2016)

SUMMARY:

The bill would amend the Insurance Code to require health insurers and health maintenance organizations to provide a program to synchronize multiple maintenance prescription drugs for the treatment of chronic long-term care condition of their customers.

This would apply when (1) an insured or enrollee, their physician, and a pharmacist all agree that synchronizing multiple maintenance prescription drugs is in the best interests of the insured or enrollee for the management or treatment of a chronic long-term care condition; and (2) the drugs in question meet certain specified requirements. These requirements are that the drugs:

- Are covered by the policy, certificate, or contract.
- Are used for the management and treatment of a chronic long-term care condition and have authorized refills that remain available.
- Are not Schedule 2 to 5 controlled substances (except for anti-epileptic prescription drugs).
- Meet all prior authorization requirements.
- Are of a formulation that can be effectively split over required short fill periods to achieve synchronization.
- Do not have quantity limits or dose optimization criteria or requirements that would be violated if the insured's or enrollee's multiple maintenance prescription drugs are synchronized.

The bill also requires an insurer or HMO to apply a prorated daily cost-sharing rate for maintenance prescription drugs dispensed by an in-network pharmacy for the purpose of synchronizing multiple maintenance prescription drugs.

An insurer or HMO could not reimburse or pay any dispensing fee that was prorated. It would only pay or reimburse a dispensing fee that was based on each maintenance prescription drug dispensed.

The bill would apply to policies, certificates, and contracts delivered, executed, issued, amended, adjusted, or renewed beginning 365 days after the bill was enacted.

Proposed MCL 500.3406t

FISCAL IMPACT:

Senate Bill 150 would have an indeterminate, but presumably limited, fiscal impact on state and local government. The provisions of the bill would affect the managed care portion of the state's Medicaid program, as well as health insurance policies provided by the state and local governments as fringe benefits to their employees. The bill would increase costs by reducing co-pays received for eligible prescriptions. The health benefits resulting from synchronized prescriptions could result in savings that would offset some or all of those costs. Data on the number of prescriptions that would be affected is not readily available.

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