

Legislative Analysis



OUT-OF-NETWORK PRESCRIPTIONS

Phone: (517) 373-8080
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House Bill 4345 as introduced
Sponsor: Rep. Andrew W. Beeler
Committee: Health Policy
Complete to 3-10-21

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

SUMMARY:

House Bill 4345 would add a section to Chapter 34 (Disability Insurance Policies) of the Insurance Code to require insurers to give insured individuals credit for cost savings when they purchase certain less expensive drugs from an out-of-network pharmacy.

Specifically, when an insured individual has coverage for prescription drugs and purchases a drug covered under the policy at an out-of-network pharmacy, the insurer would have to apply the difference in cost when calculating the insured individual's overall contribution to any maximum or any cost-sharing requirement, as long as the purchased drug cost less than the average in-network cost for the drug.

Proposed MCL 500.3406v

BACKGROUND:

According to the National Conference of State Legislatures,¹ "right to shop" legislation typically requires insurers to share a portion of their cost savings (for drugs purchased at a lower price) with their enrollees to offset any pre-deductible or out-of-pocket expenses.

FISCAL IMPACT:

House Bill 4345 would not have a significant fiscal impact on any unit of state or local government.

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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.

¹ <https://www.ncsl.org/research/health/transparency-and-disclosure-health-costs.aspx>