

MEMO

TO: Michigan House Insurance Committee Members
FROM: David Q. Worthams, Director of Human Resource Policy
DATE: 3/18/2021
Re: HB 4354 – Opposition



The 1,700 members of the Michigan Manufacturers Association (MMA), which includes manufacturers of all sizes throughout the state, express our opposition to HB 4354(Rendon) – a bill that requires a health insurer to cap the costs of oral chemotherapy medications so that it is the same as chemotherapy drugs that are injected or otherwise administered intravenously.

This bill will not benefit most Michigan citizens. 58% of all cancer diagnoses in the state are those over 65 years of age. These are patients that are covered by Medicare and will not be impacted by state legislation. If we focus on those who are not covered by other programs (ERISA and Medicaid) or those who are uninsured, less than 1 percent of Michiganders would benefit from the enactment of this legislation.

Further, the bill does not address the underlying price of prescription drug. This just moves the cost around, from the consumer to the employer – to those who purchase health plans for their employees. These costs will eventually get shifted to employees and individuals through increased premiums, increased co-pays, increased out-of-pocket costs through other medication that is not capped.

Compared to other states, Michigan is unique because we have mandated chemotherapy coverage since 1989. Other states who have enacted this type of legislation do not have a chemotherapy mandate in their statutes. Health plans in Michigan will continue to cover all FDA chemotherapy treatments of all types and will be limited in how to provide that coverage under this bill.

We remind the members of this committee that out-of-pocket costs are already limited under the requirements of the Affordable Care Act. Federal statute limits that amount that an individual can pay for covered services in a year. There are many programs that allow low-income Michiganders to qualify for further reductions of those expenses. Capping oral chemotherapy costs will not change this fact.

Mandated health insurance coverage by state government does not address the overall cost of health care. Mandating this cap exacerbates the financial situation of small businesses and of manufacturers who need to succeed for our economy to fully bounce back from the economic pressures caused by the coronavirus pandemic. We ask for your help and ask that you vote against costly mandates. Please do not report HB 4354 with your recommendation to the full Michigan House of Representatives.