

SENATE BILL No. 283

February 27, 2007, Introduced by Senators BROWN, BIRKHOLZ, KUIPERS, RICHARDVILLE, KAHN, PAPPAGEORGE, GEORGE, GLEASON, SANBORN, HUNTER, SCOTT and THOMAS and referred to the Committee on Health Policy.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3519 (MCL 500.3519), as amended by 2005 PA 306, and by adding sections 2264b and 3406s.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 2264B. (1) ANY POLICY, CERTIFICATE, OR CONTRACT**
2 **DELIVERED, ISSUED FOR DELIVERY, OR RENEWED IN THIS STATE THAT**
3 **PROVIDES FOR HOSPITAL OR MEDICAL CARE COVERAGE OR REIMBURSEMENT FOR**
4 **HOSPITAL OR MEDICAL CARE FOR DEPENDENT CHILDREN SHALL PERMIT**
5 **CONTINUATION OF THAT COVERAGE FOR A CHILD UNTIL THAT CHILD ATTAINS**
6 **AGE 26 EVEN IF THE CHILD IS NO LONGER CONSIDERED A DEPENDENT.**

7 **(2) COVERAGE UNDER THIS SECTION SHALL BE PROVIDED AT THE SAME**
8 **RATE AS THAT CHARGED FOR DEPENDENT CHILD STATUS.**

9 **SEC. 3406S. (1) IF THE MI-HEART EXCHANGE BOARD UNDER THE MI-**

1 HEART ACT DETERMINES THAT SECTION 3406A, 3406B, 3406C, 3406D,
2 3406E, 3406M, 3406N, 3406P, 3406Q, 3406R, 3425, 3609A, 3613, 3614,
3 3615, 3616, OR 3616A SHOULD BE WAIVED AS PROVIDED IN SECTION 8 OF
4 THE MI-HEART ACT, THEN THE SECTIONS SO IDENTIFIED BY THE BOARD
5 UNDER THE MI-HEART ACT ARE NOT REQUIRED TO BE PROVIDED OR OFFERED
6 IN AN ELIGIBLE HEALTH COVERAGE PLAN.

7 (2) AS USED IN THIS SECTION:

8 (A) "ELIGIBLE HEALTH COVERAGE PLAN" MEANS THAT TERM AS DEFINED
9 IN SECTION 3 OF THE MI-HEART ACT.

10 (B) "MI-HEART EXCHANGE BOARD" MEANS THAT TERM AS DEFINED IN
11 SECTION 3 OF THE MI-HEART ACT.

12 Sec. 3519. (1) A health maintenance organization contract and
13 the contract's rates, including any deductibles, copayments, and
14 coinsurances, between the organization and its subscribers shall be
15 fair, sound, and reasonable in relation to the services provided,
16 and the procedures for offering and terminating contracts shall not
17 be unfairly discriminatory.

18 (2) A health maintenance organization contract and the
19 contract's rates shall not discriminate on the basis of race,
20 color, creed, national origin, residence within the approved
21 service area of the health maintenance organization, lawful
22 occupation, sex, handicap, or marital status, except that marital
23 status may be used to classify individuals or risks for the purpose
24 of insuring family units. The commissioner may approve a rate
25 differential based on sex, age, residence, disability, marital
26 status, or lawful occupation, if the differential is supported by
27 sound actuarial principles, a reasonable classification system, and

1 is related to the actual and credible loss statistics or reasonably
2 anticipated experience for new coverages. A healthy lifestyle
3 program as defined in section 3517(2) is not subject to the
4 commissioner's approval under this subsection and is not required
5 to be supported by sound actuarial principles, a reasonable
6 classification system, or be related to actual and credible loss
7 statistics or reasonably anticipated experience for new coverages.

8 (3) All health maintenance organization contracts, **EXCEPT**
9 **HEALTH MAINTENANCE ORGANIZATION CONTRACTS THAT ARE ELIGIBLE HEALTH**
10 **COVERAGE PLANS OFFERED THROUGH THE MI-HEART EXCHANGE UNDER THE MI-**
11 **HEART ACT**, shall include, at a minimum, basic health services.

12 Enacting section 1. This amendatory act does not take effect
13 unless all of the following bills of the 94th Legislature are
14 enacted into law:

15 (a) Senate Bill No. 278.

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17 (b) Senate Bill No. 280.

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