

HOUSE BILL No. 5096

June 16, 2009, Introduced by Reps. Meadows and Sheltroun and referred to the Committee on Health Policy.

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
(MCL 550.1101 to 550.1704) by adding section 416e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 416E. A HEALTH CARE CORPORATION THAT ISSUES OR RENEWS IN**
2 **THIS STATE ON OR AFTER JANUARY 1, 2010 A GROUP CERTIFICATE SHALL**
3 **PROVIDE FOR BOTH OF THE FOLLOWING:**

4 **(A) THAT COST-SHARING REQUIREMENTS AND BENEFIT OR SERVICE**
5 **LIMITATIONS FOR OUTPATIENT BIOLOGICALLY BASED MENTAL ILLNESS**
6 **SERVICES DO NOT PLACE A GREATER FINANCIAL BURDEN ON THE MEMBER AND**
7 **ARE NOT MORE RESTRICTIVE THAN THOSE REQUIREMENTS AND LIMITATIONS**
8 **FOR OUTPATIENT MEDICAL SERVICES.**

9 **(B) THAT COST-SHARING REQUIREMENTS AND BENEFIT OR SERVICE**
10 **LIMITATIONS FOR INPATIENT HOSPITAL BIOLOGICALLY BASED MENTAL**

1 ILLNESS SERVICES DO NOT PLACE A GREATER FINANCIAL BURDEN ON THE
2 MEMBER AND ARE NOT MORE RESTRICTIVE THAN THOSE REQUIREMENTS AND
3 LIMITATIONS FOR INPATIENT HOSPITAL MEDICAL SERVICES.

4 (2) SUBSECTION (1) APPLIES IF BOTH OF THE FOLLOWING ARE MET:

5 (A) THE BIOLOGICALLY BASED MENTAL ILLNESS IS CLINICALLY
6 DIAGNOSED BY A MENTAL HEALTH PROFESSIONAL.

7 (B) THE PRESCRIBED TREATMENT IS NOT EXPERIMENTAL OR
8 INVESTIGATIONAL, HAVING PROVEN ITS CLINICAL EFFECTIVENESS IN
9 ACCORDANCE WITH GENERALLY ACCEPTED MEDICAL STANDARDS.

10 (3) SUBSECTION (1) DOES NOT APPLY TO A HEALTH CARE CORPORATION
11 TO WHICH ALL OF THE FOLLOWING APPLY:

12 (A) THE HEALTH CARE CORPORATION SUBMITS DOCUMENTATION
13 CERTIFIED BY AN INDEPENDENT MEMBER OF THE AMERICAN ACADEMY OF
14 ACTUARIES TO THE COMMISSIONER SHOWING THAT INCURRED CLAIMS FOR
15 DIAGNOSTIC AND TREATMENT SERVICES FOR BIOLOGICALLY BASED MENTAL
16 ILLNESS FOR A PERIOD OF AT LEAST 6 MONTHS INDEPENDENTLY CAUSED THE
17 HEALTH CARE CORPORATION'S COSTS FOR CLAIMS AND ADMINISTRATIVE
18 EXPENSES FOR THE COVERAGE OF ALL OTHER PHYSICAL DISEASES AND
19 DISORDERS TO INCREASE BY MORE THAN 1% PER YEAR.

20 (B) THE HEALTH CARE CORPORATION SUBMITS A SIGNED LETTER FROM
21 AN INDEPENDENT MEMBER OF THE AMERICAN ACADEMY OF ACTUARIES TO THE
22 COMMISSIONER OPINING THAT THE INCREASE DESCRIBED IN SUBDIVISION (A)
23 COULD REASONABLY JUSTIFY AN INCREASE OF MORE THAN 1% IN THE ANNUAL
24 PREMIUMS OR RATES CHARGED BY THE HEALTH CARE CORPORATION FOR THE
25 COVERAGE OF ALL OTHER PHYSICAL DISEASES AND DISORDERS.

26 (C) THE COMMISSIONER, PURSUANT TO THE ADMINISTRATIVE
27 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, MAKES

1 THE FOLLOWING DETERMINATIONS FROM THE DOCUMENTATION AND OPINION
2 SUBMITTED PURSUANT TO SUBDIVISIONS (A) AND (B):

3 (i) INCURRED CLAIMS FOR DIAGNOSTIC AND TREATMENT SERVICES FOR
4 BIOLOGICALLY BASED MENTAL ILLNESSES FOR A PERIOD OF AT LEAST 6
5 MONTHS INDEPENDENTLY CAUSED THE HEALTH CARE CORPORATION'S COSTS FOR
6 CLAIMS AND ADMINISTRATIVE EXPENSES FOR THE COVERAGE OF ALL OTHER
7 PHYSICAL DISEASES AND DISORDERS TO INCREASE BY MORE THAN 1% PER
8 YEAR.

9 (ii) THE INCREASE IN COSTS REASONABLY JUSTIFIES AN INCREASE OF
10 MORE THAN 1% IN THE ANNUAL PREMIUMS OR RATES CHARGED BY THE HEALTH
11 CARE CORPORATION FOR THE COVERAGE OF ALL OTHER PHYSICAL DISEASES
12 AND DISORDERS.

13 (4) THIS SECTION DOES NOT PROHIBIT A HEALTH CARE CORPORATION
14 FROM DOING ANY OF THE FOLLOWING:

15 (A) NEGOTIATING SEPARATELY WITH MENTAL HEALTH CARE PROVIDERS
16 ON REIMBURSEMENT RATES AND THE DELIVERY OF HEALTH CARE SERVICES.

17 (B) OFFERING CERTIFICATES THAT PROVIDE BENEFITS SOLELY FOR THE
18 DIAGNOSIS AND TREATMENT OF BIOLOGICALLY BASED MENTAL ILLNESSES.

19 (C) MANAGING THE PROVISION OF BENEFITS FOR THE DIAGNOSIS OR
20 TREATMENT OF BIOLOGICALLY BASED MENTAL ILLNESSES THROUGH THE USE OF
21 PREADMISSION SCREENING, BY REQUIRING PRIOR AUTHORIZATION BEFORE
22 TREATMENT, OR THROUGH THE USE OF ANY OTHER MECHANISM DESIGNED TO
23 LIMIT COVERAGE TO THAT TREATMENT THAT IS DETERMINED TO BE
24 NECESSARY.

25 (D) ENFORCING THE TERMS AND CONDITIONS OF THE CERTIFICATE.

26 (5) THIS SECTION DOES NOT APPLY TO ANY CERTIFICATE THAT
27 PROVIDES COVERAGE FOR MEDICARE SUPPLEMENT.

1 (6) AS USED IN THIS SECTION:

2 (A) "BIOLOGICALLY BASED MENTAL ILLNESS" MEANS SCHIZOPHRENIA,
3 SCHIZOAFFECTIVE DISORDER, MAJOR DEPRESSIVE DISORDER, BIPOLAR
4 DISORDER, PARANOIA AND OTHER PSYCHOTIC DISORDERS, OBSESSIVE-
5 COMPULSIVE DISORDER, AND PANIC DISORDER, AS THOSE TERMS ARE DEFINED
6 IN THE DIAGNOSTIC AND STATISTICAL MANUAL OF MENTAL DISORDERS
7 PUBLISHED BY THE AMERICAN PSYCHIATRIC ASSOCIATION.

8 (B) "MENTAL HEALTH PROFESSIONAL" MEANS ANY OF THE FOLLOWING:

9 (i) A PHYSICIAN LICENSED TO PRACTICE MEDICINE OR OSTEOPATHIC
10 MEDICINE AND SURGERY IN THIS STATE UNDER ARTICLE 15 OF THE PUBLIC
11 HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838.

12 (ii) A PSYCHOLOGIST LICENSED TO PRACTICE IN THIS STATE UNDER
13 ARTICLE 15 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO
14 333.18838.

15 (iii) A MASTER'S SOCIAL WORKER LICENSED UNDER ARTICLE 15 OF THE
16 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838.

17 (iv) A PROFESSIONAL COUNSELOR LICENSED UNDER ARTICLE 15 OF THE
18 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838.