

# HOUSE BILL No. 4058

January 13, 2011, Introduced by Rep. Callton and referred to the Committee on Health Policy.

A bill to amend 1984 PA 218, entitled  
"Third party administrator act,"  
(MCL 550.901 to 550.960) by adding section 33.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **SEC. 33. (1) A THIRD PARTY ADMINISTRATOR SHALL NOT ENTER INTO**  
2 **A SERVICE CONTRACT FOR A BENEFIT PLAN IF THE BENEFIT PLAN INCLUDES**  
3 **A HEALTH CARE SERVICE AS A COVERED HEALTH CARE BENEFIT AND EITHER**  
4 **OF THE FOLLOWING APPLIES TO THE BENEFIT PLAN:**

5           **(A) THE COPAYMENT OR COINSURANCE FOR THE BENEFIT PLAN PAYABLE**  
6 **BY THE COVERED INDIVIDUAL IS GREATER THAN 50% OF THE COST OF THE**  
7 **HEALTH CARE SERVICE.**

8           **(B) THE DEDUCTIBLE FOR A HEALTH CARE SERVICE PAYABLE BY THE**  
9 **COVERED INDIVIDUAL MEETS EITHER OF THE FOLLOWING:**

10           **(i) IS ESTABLISHED IN SUCH A WAY AS TO PROVIDE DE MINIMUS**

1 REIMBURSEMENT FOR THE SERVICE.

2 (ii) HAS AN ANNUAL OR OTHER DEDUCTIBLE AMOUNT THAT THE PLAN  
3 SPONSOR REASONABLY KNOWS WILL NOT BE MET BY AT LEAST 80% OF THE  
4 COVERED INDIVIDUALS.

5 (2) THE COMMISSIONER SHALL INVESTIGATE AND ISSUE A RULING ON  
6 ALL COMPLAINTS ARISING UNDER THIS SECTION.

7 Enacting section 1. This amendatory act applies to a service  
8 contract entered into after the date this amendatory act is enacted  
9 into law. For a service contract in effect on or before the date  
10 this amendatory act is enacted into law, this amendatory act  
11 applies on the date the service contract is next extended, renewed,  
12 or modified in any manner.