

HOUSE BILL NO. 5620

March 12, 2020, Introduced by Reps. Love, Calley, Cynthia Johnson, Brann and Whiteford 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 414c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 414c. (1) By March 1, 2021, and each March 1 after that
- 2 date, a health care corporation shall submit a report to the
- 3 director of the department of insurance and financial services that
- 4 includes all of the following information:
- 5 (a) For each classification of benefits, identification of all



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1 financial requirements and quantitative treatment limitations that
2 are applied to mental health and substance use disorder benefits
3 and medical and surgical benefits, and a description of the process
4 of how the insurer assesses that each financial requirement and
5 quantitative treatment limitation is not more restrictive for
6 mental health and substance use disorder benefits than for the
7 predominant financial requirement or quantitative treatment
8 limitation of that type that is applied to substantially all
9 medical and surgical benefits.

10 (b) A description of the process used to develop or select the
11 medical necessity criteria for mental health and substance use
12 disorder benefits and the process used to develop or select the
13 medical necessity criteria for medical and surgical benefits.

14 (c) Identification of all nonquantitative treatment
15 limitations that are applied to both mental health and substance
16 use disorder benefits and medical surgical benefits within each
17 classification of benefits.

18 (d) The results of an analysis that demonstrates that for the
19 medical necessity criteria described in subdivision (a) and for
20 each nonquantitative treatment limitation identified in subdivision
21 (b), as written and in operation, the processes, strategies,
22 evidentiary standards, or other factors used in applying the
23 medical necessity criteria and each nonquantitative treatment
24 limitation to mental health and substance use disorder benefits
25 within each classification of benefits are comparable to, and are
26 applied no more stringently than, the processes, strategies,
27 evidentiary standards, or other factors used in applying the
28 medical necessity criteria and each nonquantitative treatment
29 limitation to medical and surgical benefits within the

1 corresponding classification of benefits. At a minimum, the results
2 of the analysis under this subdivision must do all of the
3 following:

4 (i) Identify the factors used to determine that a
5 nonquantitative treatment limitation will apply to a benefit,
6 including factors that were considered but rejected.

7 (ii) Identify and define the specific evidentiary standards
8 used to define the factors and any other evidence relied on in
9 designing each nonquantitative treatment limitation.

10 (iii) Provide the comparative analyses, including the results of
11 the analyses, performed to determine that the processes and
12 strategies used to design each nonquantitative treatment
13 limitation, as written, and the as-written processes and strategies
14 used to apply the nonquantitative treatment limitation to mental
15 health and substance use disorder benefits are comparable to, and
16 are applied no more stringently than, the processes and strategies
17 used to design each nonquantitative treatment limitation, as
18 written, and the as-written processes and strategies used to apply
19 the nonquantitative treatment limitation to medical and surgical
20 benefits.

21 (iv) Provide the comparative analyses, including the results of
22 the analyses, performed to determine that the processes and
23 strategies used to apply each nonquantitative treatment limitation,
24 in operation, for mental health and substance use disorder benefits
25 are comparable to, and are applied no more stringently than, the
26 processes and strategies used to apply each nonquantitative
27 treatment limitation, in operation, for medical and surgical
28 benefits.

29 (v) Disclose the specific findings and conclusions reached by

1 the insurer that the results of the analyses under this section
2 indicate that the insurer is in compliance with this section and
3 the Paul Wellstone and Pete Domenici mental health parity and
4 addiction equity act of 2008, subtitle B of title V of division C
5 of Public Law 110-343, and its implementing and related
6 regulations, which include 45 CFR 146.136, 45 CFR 147.160, and 45
7 CFR 156.115(a) (3) .

8 (2) A health care corporation shall not have any separate
9 nonquantitative treatment limitations that apply to mental health
10 and substance use disorder benefits but do not apply to medical and
11 surgical benefits within any classification of benefits.