

SENATE BILL NO. 1042

April 14, 1998, Introduced by Senators BYRUM, DINGELL, KOIVISTO, A. SMITH, O'BRIEN and CHERRY and referred to the Committee on Health Policy and Senior Citizens.

A bill to establish the ABC health plan purchasing alliance to provide certain health benefits to certain children residing in this state; to establish the ABC board and prescribe its powers and duties; and to establish the ABC health plan fund.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "ABC health plan act".

3 Sec. 3. As used in this act:

4 (a) "ABC" means affordable basic child care.

5 (b) "Alliance" means the affordable basic child health plan
6 purchasing alliance created in section 5.

7 (c) "Board" or "ABC health plan board" means the affordable
8 basic child health plan board created in section 5.

9 (d) "Child" or "children" means a state resident less than
10 19 years of age.

1 (e) "Medicaid" means title XIX of the social security act,
2 chapter 531, 49 stat. 620, 42 U.S.C. 1396 to 1396f, 1396g-1 to
3 1396r-6, and 1396r-8 to 1396v.

4 (f) "Participant" means the parent or legal guardian of an
5 eligible dependent child who is enrolled in the ABC health plan.

6 Sec. 5. (1) The affordable basic child health plan purchas-
7 ing alliance is created. The alliance shall be a statewide pro-
8 gram operating under Medicaid and offering health benefits to
9 eligible children. The alliance shall be operated by the afford-
10 able basic child health plan board.

11 (2) The ABC health plan board is created within the depart-
12 ment of community health. The board is responsible for all of
13 the following:

14 (a) Enrollment of children into the ABC health plan.

15 (b) Outreach efforts to educate and inform residents of this
16 state about the ABC health plan.

17 (c) Contracting with health care providers, health care
18 facilities, managed care provider networks, and physician spon-
19 sored networks for the provision of health care services to eli-
20 gible children enrolled in the ABC health plan.

21 (d) Ensuring the quality of health care services provided to
22 children enrolled in the ABC health plan.

23 (e) Entering into contracts and exercising powers necessary
24 to carry out the powers and duties of this act.

25 (f) Receiving and accepting premiums collected under
26 section 11 and grants, funds, or anything of value from public or
27 private sources. However, the board shall not accept anything of

1 value from a person or entity that might have a vested interest
2 in the decisions of the board.

3 (g) Depositing all premiums, grants, funds, and anything of
4 value received under subdivision (f) into the ABC health plan
5 fund created under section 13.

6 (h) Expending money and other assets of the ABC health plan
7 fund only in accordance with section 13.

8 (i) Providing annually to the governor and the senate and
9 house of representatives standing committees on health and insur-
10 ance issues all of the following:

11 (i) A report of operations and plan utilization of the
12 alliance.

13 (ii) A report of the number of children served by the alli-
14 ance, and the number of complaints or grievances relating to the
15 operation of the alliance that are received by the board.

16 (iii) An accounting of all revenues received by the board
17 and all internal and independent audits.

18 (j) Establishing the specific health care services to be
19 made available under the ABC health plan.

20 (k) Establishing the benefit levels of each service made
21 available under the ABC health plan.

22 Sec. 7. The board shall establish and operate the alliance
23 by doing all of the following:

24 (a) Employing an executive director to oversee and direct
25 the administrative functions of the purchasing alliance.

26 (b) Developing model contracts that detail for potential
27 contractors the requirements of the alliance.

1 (c) Providing a copy of the model contract to interested
2 health care providers, health care facilities, managed care pro-
3 vider networks, and physician sponsored networks detailing the
4 contractual terms for participation in the alliance.

5 (d) Developing and making available a list of objective cri-
6 teria that must be met by participating health care providers,
7 health care facilities, managed care provider networks, and phy-
8 sician sponsored networks in order to be eligible to participate
9 in the alliance.

10 (e) Specifying in contracts with participating health care
11 providers, health care facilities, managed care provider net-
12 works, and physician sponsored networks how all premiums will be
13 transmitted together with inclusion of appropriate language for
14 penalties and grace periods on late payments of premiums.

15 (f) Contracting with at least 3 unaffiliated health care
16 providers, health care facilities, managed care provider net-
17 works, and physician sponsored networks to ensure that children
18 have a choice from among a reasonable number of differing types
19 of competing health care providers, health care facilities, man-
20 aged care provider networks, and physician sponsored networks.

21 (g) Developing standard enrollment procedures to be used by
22 the alliance.

23 (h) Publishing educational materials, plan descriptions, and
24 comparison sheets describing participating health care providers,
25 health care facilities, managed care provider networks, and phy-
26 sician sponsored networks and the health benefit plans available
27 through the alliance.

1 (i) Receiving, reviewing, and acting, as appropriate, on
2 grievances by members.

3 (j) Establishing administrative and accounting procedures
4 for operating the alliance and for providing services to
5 members.

6 (k) Establishing procedures and mechanisms for billing and
7 collection of premiums from members.

8 (l) Establishing procedures for annual or rolling open
9 enrollment periods during which a member may elect to enroll his
10 or her child in any other health benefit plan that is available
11 through the alliance and that provides health coverage where the
12 child lives, and a late member may elect to enroll his or her
13 child in any health benefit plan that is available through the
14 alliance and that provides health coverage where the child
15 lives.

16 Sec. 11. (1) Subject to subsections (2) and (3), any resi-
17 dent of this state who has a dependent child who resides in this
18 state and is not eligible for an employer-sponsored health plan
19 may enroll the child in the ABC health plan. Premiums for cover-
20 age under the ABC health plan shall be charged monthly and shall
21 be determined by the board on a sliding-fee scale that corre-
22 sponds to the participant's income in accordance with the
23 following:

24 Income at or below 184% of the federal
25 poverty level..... no cost.

26 Income that is at or above 185% and less
27 than 200% of the federal poverty level.... \$ 8.00 per month for a

1 single child, or a
2 total of \$16.00
3 per month for 2 or
4 more children.

5 Income that is at or above 200% and less
6 than 235% of the federal poverty level.... \$ 10.00 per month for
7 a single child, or
8 a total of \$16.00
9 per month for 2 or
10 more children.

11 Income that is at or above 235% and less
12 than 250% of the federal poverty level.... \$ 25.00 per month.

13 Income that is at or above 250% and less
14 than 300% of the federal poverty level.... \$ 45.00 per month.

15 Income that is at or above 300% and less
16 than 400% of the federal poverty level.... \$ 75.00 per month.

17 Income that is at or above 400% of the
18 federal poverty level..... the actual cost of
19 the coverage.

20 (2) A child who has been eligible for employer-based health
21 insurance within the past 6 months shall not participate in the
22 ABC health plan, unless the loss of health insurance eligibility
23 is due to a layoff, business closing, or involuntary loss of
24 insurance for employment reasons.

25 (3) If 1 child in a household is enrolled in the ABC health
26 plan, all other children in that household shall also be
27 enrolled.

1 (4) All premiums collected under this section shall be
2 deposited into the ABC health plan fund created in section 13.

3 Sec. 13. The ABC health plan fund is created in the state
4 treasury as a separate fund into which shall be paid all revenue
5 received by the board from any source. The state treasurer shall
6 direct the investment of the fund, and credit to the fund inter-
7 est and earnings from fund investments. Money in the ABC health
8 plan fund shall not revert to the general fund at the close of
9 the fiscal year but shall remain in the ABC health plan fund.
10 The board shall expend money from the fund only to provide eligi-
11 ble children in this state with health care services authorized
12 under this act.

13 Sec. 15. The board may promulgate rules pursuant to the
14 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
15 24.328, as necessary to implement its powers and duties under
16 this act.

17 Sec. 17. This act is effective April 15, 1998.