

SENATE BILL No. 12

January 16, 2013, Introduced by Senator JANSEN and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 3107b, 3405, 3475, and 3631 (MCL 500.3107b,
500.3405, 500.3475, and 500.3631), section 3107b as amended by 2009
PA 222 and sections 3405, 3475, and 3631 as amended by 2009 PA 227.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3107b. Reimbursement or coverage for expenses within
2 personal protection insurance coverage under section 3107 is not
3 required for ~~either of the following:~~

4 ~~—— (a) A~~ practice of ~~optometric~~ **OPTOMETRY** service, unless that
5 service was included in the definition of practice of optometry
6 under section 17401 of the public health code, 1978 PA 368, MCL
7 333.17401, as of May 20, 1992.

~~(b) A practice of chiropractic service, unless that service was included in the definition of practice of chiropractic under section 16401 of the public health code, 1978 PA 368, MCL 333.16401, as of January 1, 2009.~~

Sec. 3405. (1) For the purpose of doing business as an organization under the prudent purchaser act, 1984 PA 233, MCL 550.51 to 550.63, an insurer authorized in this state to write disability insurance that provides coverage for hospital, nursing, medical, surgical, or sick-care benefits may enter into prudent purchaser agreements with providers of hospital, nursing, medical, surgical, or sick-care services pursuant to this section and the prudent purchaser act, 1984 PA 233, MCL 550.51 to 550.63.

(2) An insurer may offer disability insurance policies under which the insured persons shall be required, as a condition of coverage, to obtain hospital, nursing, medical, surgical, or sick-care services exclusively from health care providers who have entered into prudent purchaser agreements. A person to whom ~~such a~~ policy **DESCRIBED IN THIS SUBSECTION** is offered shall also be offered a policy that **DOES NOT DO ANY OF THE FOLLOWING**:

(a) ~~Does not, as~~ **AS** a condition of coverage, require insured persons to obtain services exclusively from health care providers who have entered into prudent purchaser agreements.

(b) ~~Does not give~~ **GIVE** a financial advantage or other advantage to an insured person who elects to obtain services from health care providers who have entered into prudent purchaser agreements.

(3) An insurer may offer disability insurance policies under

1 which insured persons who elect to obtain hospital, nursing,
2 medical, surgical, or sick-care services from health care providers
3 who have entered into prudent purchaser agreements ~~shall realize a~~
4 financial advantage or other advantage by selecting ~~such~~ providers
5 **WHO HAVE ENTERED INTO PRUDENT PURCHASER AGREEMENTS**. Policies
6 offered ~~pursuant to~~ **UNDER** this subsection shall not, as a condition
7 of coverage, require insured persons to obtain ~~such~~ **HOSPITAL,**
8 **NURSING, MEDICAL, SURGICAL, OR SICK-CARE** services exclusively from
9 health care providers who have entered into prudent purchaser
10 agreements. A person to whom ~~such a~~ policy **DESCRIBED IN THIS**
11 **SUBSECTION** is offered shall also be offered a policy that **DOES NOT**
12 **DO ANY OF THE FOLLOWING:**

13 (a) ~~Does not, as~~ **AS** a condition of coverage, require insured
14 persons to obtain services exclusively from health care providers
15 who have entered into prudent purchaser agreements.

16 (b) ~~Does not give~~ **GIVE** a financial advantage or other
17 advantage to an insured person who elects to obtain services from
18 health care providers who have entered into prudent purchaser
19 agreements.

20 (4) The rates charged by an insurer for coverage under
21 policies issued under this section shall not be unreasonably lower
22 than what is necessary to meet the expenses of the insurer for
23 providing this coverage and shall not have an anticompetitive
24 effect or result in predatory pricing in relation to prudent
25 purchaser agreement coverages offered by other organizations.

26 (5) An insurer shall not discriminate against a class of
27 health care providers when entering into prudent purchaser

1 agreements with health care providers for its provider panel. This
2 subsection does not **DO ANY OF THE FOLOWING:**

3 (a) Prohibit the formation of a provider panel consisting of a
4 single class of providers ~~when~~ **IF** a service provided for in the
5 specifications of a purchaser may legally be provided only by a
6 single class of providers.

7 (b) Prohibit the formation of a provider panel that conforms
8 to the specifications of a purchaser of the coverage authorized by
9 this section ~~so long as~~ **IF** the specifications do not exclude any
10 class of health care providers who may legally perform the services
11 included in the coverage.

12 (c) Require an organization that has uniformly applied the
13 standards filed ~~pursuant to~~ **UNDER** section 3(3) of the prudent
14 purchaser act, 1984 PA 233, MCL 550.53, to contract with any
15 individual provider.

16 (6) Nothing in ~~this 1984 amendatory act~~ **PA 280** applies to any
17 contract that is in existence before December 20, 1984, or the
18 renewal of ~~such~~ **THAT** contract.

19 (7) Notwithstanding any other provision of this act, if
20 coverage under a prudent purchaser agreement provides for benefits
21 for services that are within the scope of practice of optometry, an
22 insurer is not required to provide coverage or reimburse for a
23 practice of ~~optometric~~ **OPTOMETRY** service unless that service was
24 included in the definition of practice of optometry under section
25 17401 of the public health code, 1978 PA 368, MCL 333.17401, as of
26 May 20, 1992.

27 ~~— (8) Notwithstanding any other provision of this act, if~~

~~coverage under a prudent purchaser agreement provides for benefits for services that are within the scope of practice of chiropractic, an insurer is not required to provide coverage or reimburse for a practice of chiropractic service unless that service was included in the definition of practice of chiropractic under section 16401 of the public health code, 1978 PA 368, MCL 333.16401, as of January 1, 2009.~~

Sec. 3475. Notwithstanding any provision of any policy of insurance or certificate, if an insurance policy or certificate provides for reimbursement for any service ~~which may be~~ **THAT IS** legally performed by a person fully licensed as a psychologist under part 182 of the public health code, 1978 PA 368, MCL 333.18201 to 333.18237; by a podiatrist licensed under part 180 of the public health code, 1978 PA 368, MCL 333.18001 to 333.18058; **OR** by a chiropractor licensed under part 164 of the public health code, 1978 PA 368, MCL 333.16401 to 333.16431, ~~reimbursement~~ under the insurance policy or certificate shall not be denied if the service is rendered by a person fully licensed as a psychologist under part 182 of the public health code, 1978 PA 368, MCL 333.18201 to 333.18237; by a podiatrist licensed under part 180 of the public health code, 1978 PA 368, MCL 333.18001 to 333.18058; or by a chiropractor licensed under part 164 of the public health code, 1978 PA 368, MCL 333.16401 to 333.16431, ~~within the~~ statutory provisions provided in his or her individual practice act. This section does not require coverage for a psychologist in any insurance policy. ~~and does not require coverage or reimbursement for a practice of chiropractic service unless that~~

1 ~~service was included in the definition of practice of chiropractic~~
2 ~~under section 16401 of the public health code, 1978 PA 368, MCL~~
3 ~~333.16401, as of January 1, 2009. This section shall~~ **DOES** not apply
4 to a policy or certificate written ~~pursuant to~~ **UNDER** section 3405
5 or 3631 ~~involving~~ **THAT INVOLVES** a prudent purchaser agreement.

6 Sec. 3631. (1) For the purpose of doing business as an
7 organization under the prudent purchaser act, 1984 PA 233, MCL
8 550.51 to 550.63, an insurer authorized to write group disability
9 insurance or family expense insurance that provides coverage for
10 hospital, nursing, medical, surgical, or sick-care benefits may
11 enter into prudent purchaser agreements with providers of hospital,
12 nursing, medical, surgical, or sick-care services pursuant to this
13 section and the prudent purchaser act, 1984 PA 233, MCL 550.51 to
14 550.63.

15 (2) An insurer may offer group disability insurance policies
16 or family expense policies under which the insured persons shall be
17 required, as a condition of coverage, to obtain hospital, nursing,
18 medical, surgical, or sick-care services exclusively from health
19 care providers who have entered into prudent purchaser agreements.

20 (3) An individual who is a member of a group who is offered
21 the option of being under a policy ~~pursuant to~~ **UNDER** subsection (2)
22 shall also be offered the option of being insured under a policy
23 ~~pursuant to~~ **UNDER** subsection (4). This subsection applies only if
24 the group in which the individual is a member has 25 or more
25 members or if the provider panel that is providing the services
26 under the group policy is limited by the organization to a specific
27 number pursuant to section 3(1) of the prudent purchaser act, 1984

1 PA 233, MCL 550.53.

2 (4) An insurer may offer group disability insurance policies
3 or family expense policies under which insured persons who elect to
4 obtain hospital, nursing, medical, surgical, or sick-care services
5 from health care providers who have entered into prudent purchaser
6 agreements ~~shall realize a financial advantage or other advantage~~
7 by selecting ~~such a provider~~ **PROVIDERS WHO HAVE ENTERED INTO**
8 **PRUDENT PURCHASER AGREEMENTS**. Policies offered ~~pursuant to~~ **UNDER**
9 this subsection shall not, as a condition of coverage, require
10 insured persons to obtain ~~such~~ **HOSPITAL, NURSING, MEDICAL,**
11 **SURGICAL, OR SICK-CARE** services exclusively from health care
12 providers who have entered into prudent purchaser agreements.

13 (5) ~~An~~ **SUBJECT TO SUBSECTION (6), AN** individual who is a
14 member of a group who is offered the option of being insured under
15 a policy ~~pursuant to~~ **UNDER** subsection (2) or (4) shall also be
16 offered the option of being insured under a policy that **DOES NOT DO**
17 **ANY OF THE FOLLOWING:**

18 (a) ~~Does not, as~~ **AS** a condition of coverage, require insured
19 persons to obtain services exclusively from health care providers
20 who have entered into prudent purchaser agreements.

21 (b) ~~Does not give~~ **GIVE** a financial advantage or other
22 advantage to an insured person who elects to obtain services from
23 health care providers who have entered into prudent purchaser
24 agreements.

25 (6) Subsection (5) applies only if the group in which the
26 individual is a member has 25 or more members and if the group on
27 December 20, 1984 had health care coverage through the group

1 sponsor.

2 (7) The rates charged by an insurer for coverage under
3 policies issued under this section shall not be unreasonably lower
4 than what is necessary to meet the expenses of the insurer for
5 providing this coverage and shall not have an anticompetitive
6 effect or result in predatory pricing in relation to prudent
7 purchaser agreement coverages offered by other organizations.

8 (8) An insurer shall not discriminate against a class of
9 health care providers when entering into prudent purchaser
10 agreements with health care providers for its provider panel. This
11 subsection does not **DO ANY OF THE FOLLOWING:**

12 (a) Prohibit the formation of a provider panel consisting of a
13 single class of providers ~~when~~ **IF** a service provided for in the
14 specifications of a purchaser may legally be provided only by a
15 single class of providers.

16 (b) Prohibit the formation of a provider panel that conforms
17 to the specifications of a purchaser of the coverage authorized by
18 this section ~~so long as~~ **IF** the specifications do not exclude any
19 class of health care providers who may legally perform the services
20 included in the coverage.

21 (c) Require an organization that has uniformly applied the
22 standards filed ~~pursuant to~~ **UNDER** section 3(3) of the prudent
23 purchaser act, 1984 PA 233, MCL 550.53, to contract with any
24 individual provider.

25 (9) Nothing in ~~this 1984 amendatory act~~ **PA 280** applies to any
26 contract that is in existence before December 20, 1984, or the
27 renewal of ~~such~~ **THAT** contract.

1 (10) Notwithstanding any other provision of this act, if
2 coverage under a prudent purchaser agreement provides for benefits
3 for services that are within the scope of practice of optometry, an
4 insurer is not required to provide coverage or reimburse for a
5 practice of ~~optometric~~**OPTOMETRY** service unless that service was
6 included in the definition of practice of optometry under section
7 17401 of the public health code, 1978 PA 368, MCL 333.17401, as of
8 May 20, 1992.

9 ~~—— (11) Notwithstanding any other provision of this act, if~~
10 ~~coverage under a prudent purchaser agreement provides for benefits~~
11 ~~for services that are within the scope of practice of chiropractic,~~
12 ~~an insurer is not required to provide coverage or reimburse for a~~
13 ~~practice of chiropractic service unless that service was included~~
14 ~~in the definition of practice of chiropractic under section 16401~~
15 ~~of the public health code, 1978 PA 368, MCL 333.16401, as of~~
16 ~~January 1, 2009.~~