



**House
Legislative
Analysis
Section**

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BASIC HEALTH INSURANCE POLICY

**House Bills 5093 and 5098
Sponsor: Rep. Alvin Hoekman
Committee: Insurance**

Complete to 10-21-91

A SUMMARY OF HOUSE BILLS 5093 AND 5098 AS INTRODUCED 8-22-91

The bills would permit commercial health insurance companies and Blue Cross and Blue Shield of Michigan to offer basic health insurance policies and certificates that could cost no more than \$75 per month for an individual or \$100 per month for a family. Such policies would have to be approved by the insurance commissioner and contain benefits for inpatient care, doctor office visits, maternity care, well-child care, emergency medical and accident care in a doctor's office or hospital emergency room, medically necessary diagnostic tests, and medically necessary surgery or anesthesia. Statutory provisions requiring that certain coverages be offered or be included in policies would not apply; for example, coverages for prosthetic devices, hospice care, substance abuse treatment, antineoplastic drugs, and mammography. Provisions requiring the offering of a conversion policy on the termination of a group policy would also not apply to basic health policies. The bills would require that if a basic health policy was offered to an employer for employees, it could not limit or exclude any employee in a covered class of employees.

House Bill 5093 would amend the Insurance Code (MCL 500.3406 et al.) to apply to commercial health insurers. House Bill 5098 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1410a et al.), which regulates Blue Cross and Blue Shield of Michigan. The maximum charge for the basic health insurance policies would be adjusted annually based on changes in the medical consumer price index. The bills would take effect October 1, 1992.

House Bills 5093 and 5098 (10-21-91)