



HOUSE BILL No. 4902

September 28, 1999, Introduced by Rep. Law and referred to the Committee on Insurance and Financial Services.

A bill to provide for a mandated benefits review panel; to prescribe the powers and duties of the mandated benefits review panel; to require certain documentation to accompany certain proposed legislation; and to provide for certain powers and duties of certain state officers, agencies, and persons.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "mandated benefits review act".

3 Sec. 3. (1) The sponsor of proposed legislation or an
4 amendment to proposed legislation that requires mandated health
5 benefits or mandated health insurance coverage shall distribute
6 with the proposed legislation or amendment adequate, indepen-
7 dently certified documentation defining the legislation's social
8 impact, medical efficacy, and financial impact. As used in this

1 act, mandated benefits or coverage includes all of the
2 following:

3 (a) Mandated offering or coverage for specific health serv-
4 ices, treatments, or practices.

5 (b) Mandated direct reimbursement to specific health care
6 practitioners.

7 (c) Mandated reimbursement amount to specific health care
8 practitioners.

9 (2) Every person or organization that promotes or seeks
10 sponsorship of legislation or an amendment to legislation that
11 does or would mandate a health benefit, coverage, or offering by
12 an insurer, health maintenance organization, or health care cor-
13 poration as a component of individual or group policies, certifi-
14 cates, or contracts shall submit a report to the senate or house
15 of representatives standing committee having jurisdiction over
16 insurance issues in the house where the legislation or amendment
17 to the legislation is proposed. The committee shall refer the
18 legislation or any amendment to legislation for review to the
19 mandated benefits review panel created by this act.

20 (3) The mandated benefits review panel is created within the
21 insurance bureau of the department of consumer and industry
22 services. The panel shall consist of 3 senior researchers, 2
23 being experts in health research or biostatistics chosen from
24 universities within the state and the third a senior research
25 associate, each appointed by the governor.

26 (4) The mandated benefits review panel shall review the
27 documentation submitted with the proposed legislation or

1 amendment and issue a report within 30 days on all of the
2 following:

3 (a) Whether the information is complete.

4 (b) Whether the research cited meets professional
5 standards.

6 (c) Whether all relevant research has been brought to
7 light.

8 (d) Whether the conclusions and interpretations drawn from
9 the evidence are consistent with the data presented.

10 (5) If the mandated benefits review panel reaches a favor-
11 able conclusion on all points listed in subsection (4), the docu-
12 mentation shall be certified accordingly. If the panel finds the
13 documentation deficient, the panel shall identify the
14 deficiencies. The panel shall judge the completeness of the
15 information provided and the validity of the conclusions drawn,
16 based on the facts presented, but shall not comment upon the
17 merits or desirability of the legislation or amendment.

18 (6) The panel shall apply the following guidelines in deter-
19 mining the adequacy of the information presented:

20 (a) To what extent the proposed mandate is needed by the
21 people of this state, is available to the people of this state,
22 and is utilized by the population of this state.

23 (b) If insurance coverage is not generally in place, to what
24 extent the lack of coverage results in inadequate health care or
25 major financial hardship.

26 (c) The demand for the proposed mandate from the public at
27 large and in collective bargaining negotiations.

1 (d) If all relevant findings bearing on social impact have
2 been presented.

3 (e) Evidence of medical efficacy including the following:

4 (i) If the legislation seeks to mandate coverage of a par-
5 ticular therapy, the results of at least 1 professionally accept-
6 able, controlled trial demonstrating the medical consequences of
7 that therapy compared to no therapy and to alternative therapies
8 and the results of any other relevant research.

9 (ii) If the legislation seeks to mandate coverage of an
10 additional class of practitioners, the results of at least 1 pro-
11 fessionally acceptable, controlled trial demonstrating the medi-
12 cal results achieved by the additional class of practitioners
13 relative to those already covered and the results of any relevant
14 research.

15 (f) Evidence of financial impact including all of the
16 following:

17 (i) The extent to which the mandate will increase or
18 decrease the cost of treatment or service.

19 (ii) The extent to which similar mandates have affected
20 charges, costs, and payments experienced in other states with
21 such mandates.

22 (iii) The extent to which the mandate will increase the
23 appropriate use of treatment or service.

24 (iv) The extent to which the mandate will be a substitute
25 for more expensive or less expensive treatment or service.

26 (v) The extent to which the mandate will increase or
27 decrease the administrative expenses of insurers, health

1 maintenance organizations, and health care corporations in the
2 premium and administrative expenses of policyholders.

3 (vi) The extent to which existing mandates meet the require-
4 ments of this act.

5 (vii) The financial impact of this coverage on small employ-
6 ers, medium-sized employers, and large employers.

7 (viii) The impact of this coverage on the total cost of
8 health care.

9 Sec. 5. In addition to the duties prescribed by this act,
10 the mandated benefits review panel shall undertake a separate and
11 complete review of all existing state mandated benefits, mandated
12 health insurance coverage, and mandated offerings of health bene-
13 fits in the same manner as prescribed in section 3. The mandated
14 benefits review panel shall report its findings of existing
15 state-mandated benefits, mandated health insurance coverage, and
16 mandated offerings of health benefits to the senate and house of
17 representatives standing committees having jurisdiction over
18 insurance issues no later than 1 year after the effective date of
19 this act.