

# Legislative Analysis

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## WELLNESS COVERAGE

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### Senate Bills 848 and 849

**Sponsor:** Sen. Tom George

**House Committee:** Health Policy

**Senate Committee:** Health Policy

**Complete to 5-22-06**

## A SUMMARY OF SENATE BILLS 848 AND 849 AS PASSED BY THE SENATE 5-9-06

The bills would add new sections to the Insurance Code and the Nonprofit Health Care Corporation Reform Act to permit an insurer, a health maintenance organization (HMO), and Blue Cross and Blue Shield of Michigan (BCBSM) to offer wellness coverage that could include premium rebates or reductions, or reduced copayments or deductibles. The bills would take effect on January 1, 2007.

Under the bills, wellness coverage could provide for an appropriate rebate or reduction in premiums or for reduced copayments, coinsurance, or deductibles for participation in any health behavior wellness, maintenance, or improvement program offered by the employer, in the case of group coverage, or approved by the insurer, HMO, or BCBSM, in the case of individual or family coverage.

The employer, under a group coverage plan, or the insured, enrollee, or member, under a family or individual plan, would have to provide evidence of demonstrative maintenance or improvement of the insureds', enrollees', or members' health status, or the individual's or family's health status, as determined by assessments of health status indicators agreed upon between the employer or the insured, enrollee, or member; and the insurer, HMO, or BCBSM, as applicable.

Any rebate provided by the health insurer, HMO, or BCBSM would be presumed to be appropriate unless credible data demonstrated otherwise, but could not exceed 10 percent of paid premiums.

Each insurer and HMO, and BCBSM, would have to make available to employers, families, and individuals, as applicable, all wellness coverage plans that it marketed to those groups in Michigan.

The bills provide that an insurer or HMO, and BCBSM, would not have to continue any health behavior wellness, maintenance, or improvement program or continue any incentive associated with such a program.

Senate Bill 848 would amend the Insurance Code (MCL 500.8302) to apply the new provisions to an insurer providing an expense-incurred hospital, medical, or surgical certificate delivered, issued for delivery, or renewed in this state, as well as an HMO.

Senate Bill 849 would amend the Nonprofit Health Care Corporation Reform Act, (MCL 550.1414b) to apply the provisions to BCBSM.

**FISCAL IMPACT:**

The fiscal impact of the bills is indeterminate. The bills do not mandate the use of wellness coverage.

Legislative Analyst: Susan Stutzky

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