



Senate Fiscal Agency
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Senate Bill 848 (Substitute S-1 as reported by the Committee of the Whole)
Senate Bill 849 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Tom George
Committee: Health Policy

CONTENT

Senate Bills 848 (S-1) and 849 (S-1) would amend the Insurance Code and the Nonprofit Health Care Corporation Reform Act, respectively, to permit an insurer or health maintenance organization (HMO), and Blue Cross and Blue Shield of Michigan (BCBSM), to offer wellness coverage. The bills would take effect on January 1, 2007.

Senate Bill 848 (S-1) would apply 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 (S-1) would apply to BCBSM.

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% 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. An insurer or HMO, or BCBSM, would not be required to continue any health behavior wellness, maintenance, or improvement program or to continue any incentive associated with a program.

Proposed MCL 500.8302 (S.B. 848)
Proposed MCL 550.1414b (S.B. 849)

Legislative Analyst: Julie Koval

FISCAL IMPACT

State and local governments that provide health coverage would be affected by these bills. The fiscal impact on State and local governments would equal the difference between the rebates provided and any reduction in health care costs due to any changes in health behavior. That impact is indeterminate. The State's Medicaid program would be affected in a similar indeterminate manner.

Date Completed: 3-15-06

Fiscal Analyst: Steve Angelotti