



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bills 5815 and 5816 (as passed by the House)
Sponsor: Representative Phil Pavlov
House Committee: Insurance
Senate Committee: Banking and Financial Institutions

Date Completed: 11-29-06

CONTENT

The bills would amend the Insurance Code and the Nonprofit Health Care Corporation Reform Act to require a policy or certificate providing medical coverage for a dependent student to continue coverage for up to 12 months, if he or she took a medical leave of absence from school due to illness or injury.

Both bills would take effect on January 1, 2007.

House Bill 5815

The bill would amend the Insurance Code to require that any policy or certificate delivered, issued for delivery, or renewed in the State that provided for hospital or medical care coverage or reimbursement for hospital or medical care coverage for dependent children who were full-time or part-time students, to continue coverage for a dependent student if he or she were covered under that policy or certificate and took a leave of absence from school due to illness or injury. This coverage would have to continue for 12 months from the student's last day of attendance in school or until the dependent reached the age at which coverage otherwise would terminate, whichever period was shorter. Coverage would have to be provided at the same rate as that charged for dependent student status.

For a dependent student to qualify for coverage under the bill, his or her attending physician would have to certify in writing to the student's insurer or health maintenance organization that it was medically necessary for him or her to take a leave of absence from school.

A dependent child would have to continue to meet all other eligibility requirements for dependent coverage in the policy or certificate if he or she took a leave of absence from school due to illness or injury.

House Bill 5816

The bill would amend the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross and Blue Shield of Michigan, to include provisions very similar to those in House Bill 5815.

Proposed MCL 500.2264a (H.B. 5815)
Proposed MCL 550.1409a (H.B. 5816)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.