

HOUSE BILL No. 5417

November 9, 2005, Introduced by Reps. Gaffney and Hune and referred to the Committee on Insurance.

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
(MCL 550.1101 to 550.1704) by adding section 416e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 416E. (1) A HEALTH CARE CORPORATION MAY OFFER A LIMITED**
2 **BENEFITS CERTIFICATE THAT EXCLUDES MANDATED HEALTH BENEFITS FROM**
3 **COVERAGE UNDER THE CERTIFICATE.**

4 **(2) BEFORE ISSUING A LIMITED BENEFITS CERTIFICATE, A HEALTH**
5 **CARE CORPORATION SHALL PROVIDE TO A PROSPECTIVE SUBSCRIBER FOR A**
6 **NONGROUP LIMITED BENEFITS CERTIFICATE OR PROSPECTIVE CERTIFICATE**
7 **HOLDER FOR A GROUP LIMITED BENEFITS CERTIFICATE A WRITTEN NOTICE**
8 **THAT DOES BOTH OF THE FOLLOWING:**

9 **(A) DISCLOSES THAT MANDATED HEALTH BENEFITS ARE NOT COVERED BY**

1 THE LIMITED BENEFITS CERTIFICATE.

2 (B) LISTS AND DESCRIBES EACH MANDATED HEALTH BENEFIT THAT IS
3 NOT COVERED BY THE LIMITED BENEFITS CERTIFICATE.

4 (3) BEFORE ISSUING A LIMITED BENEFITS CERTIFICATE, A HEALTH
5 CARE CORPORATION SHALL OBTAIN FROM THE PROSPECTIVE SUBSCRIBER FOR A
6 NONGROUP LIMITED BENEFITS CERTIFICATE OR FROM A PROSPECTIVE
7 CERTIFICATE HOLDER FOR A GROUP LIMITED BENEFITS CERTIFICATE A
8 SIGNED WRITTEN STATEMENT THAT ACKNOWLEDGES BOTH OF THE FOLLOWING:

9 (A) THAT THE DISCLOSURE STATEMENT REQUIRED UNDER SUBSECTION
10 (2) WAS PROVIDED.

11 (B) THAT THE EXTENT OF THE COVERAGE UNDER THE LIMITED BENEFITS
12 CERTIFICATE WAS UNDERSTOOD.

13 (4) EXCEPT AS PROVIDED IN THIS SECTION, ALL PROVISIONS OF THIS
14 ACT THAT APPLY TO HEALTH CARE CORPORATION CERTIFICATES APPLY TO
15 LIMITED BENEFITS CERTIFICATES.

16 (5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, A LIMITED
17 BENEFITS CERTIFICATE IS NOT SUBJECT TO ANY MANDATED HEALTH BENEFIT
18 REQUIREMENT OF THIS ACT.

19 (6) AS USED IN THIS SECTION:

20 (A) "LIMITED BENEFITS CERTIFICATE" MEANS A HEALTH CARE
21 CORPORATION CERTIFICATE THAT PROVIDES BENEFITS UNDER THIS SECTION.

22 (B) "MANDATED HEALTH BENEFIT" MEANS A PARTICULAR HEALTH CARE
23 SERVICE, BENEFIT, COVERAGE, OR REIMBURSEMENT FOR COVERED HEALTH
24 CARE SERVICES THAT A HEALTH CARE CORPORATION IS REQUIRED BY STATUTE
25 TO PROVIDE OR OFFER IN A CERTIFICATE THAT IS ISSUED, RENEWED, OR
26 DELIVERED IN THIS STATE.