

SUBSTITUTE FOR
SENATE BILL NO. 280

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
(MCL 550.1101 to 550.1704) by adding sections 409b and 419c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 409B. (1) ANY CERTIFICATE DELIVERED, ISSUED FOR DELIVERY,
2 OR RENEWED IN THIS STATE THAT PROVIDES FOR HOSPITAL OR MEDICAL CARE
3 COVERAGE FOR DEPENDENT CHILDREN SHALL PERMIT CONTINUATION OF THAT
4 COVERAGE FOR A CHILD UNTIL THAT CHILD ATTAINS AGE 26 EVEN IF THE
5 CHILD IS NO LONGER CONSIDERED A DEPENDENT IF THE CHILD MEETS ALL OF
6 THE FOLLOWING:

7 (A) IS UNMARRIED.

8 (B) HAS NO DEPENDENTS OF HIS OR HER OWN.

9 (C) IS A RESIDENT OF THIS STATE OR RESIDES SOMEWHERE ELSE
10 TEMPORARILY.

11 (D) IS NOT ELIGIBLE FOR A GROUP HEALTH BENEFITS OR COVERAGE

1 PLAN FROM HIS OR HER EMPLOYER.

2 (E) IS NOT PROVIDED COVERAGE UNDER ANY OTHER GROUP OR
3 INDIVIDUAL HEALTH BENEFITS OR COVERAGE PLAN.

4 (F) HAS NOT ACCEPTED A FINANCIAL INCENTIVE FROM HIS OR HER
5 EMPLOYER OR OTHER SOURCE TO DECLINE ANY OTHER GROUP OR INDIVIDUAL
6 HEALTH BENEFITS OR COVERAGE PLAN.

7 (G) WAS CONTINUOUSLY COVERED PRIOR TO THE APPLICATION FOR
8 CONTINUATION COVERAGE UNDER 1 OR MORE INDIVIDUAL OR GROUP HEALTH
9 BENEFITS OR COVERAGE PLANS WITH NO BREAK IN COVERAGE THAT EXCEEDED
10 62 DAYS.

11 (2) IF A CERTIFICATE PROVIDES CONTINUATION COVERAGE UNDER
12 SUBSECTION (1) AND THE CHILD FOR WHICH THE CONTINUATION COVERAGE IS
13 PROVIDED ATTAINS AGE 27 DURING THE CERTIFICATE YEAR, COVERAGE FOR
14 THAT CHILD SHALL CONTINUE THROUGH THE END OF THE CERTIFICATE YEAR.

15 (3) A COVERED PERSON'S CERTIFICATE MAY REQUIRE PAYMENT OF A
16 PREMIUM BY THE COVERED PERSON OR CHILD, SUBJECT TO THE
17 COMMISSIONER'S APPROVAL, FOR ANY PERIOD OF CONTINUATION COVERAGE
18 ELECTED UNDER SUBSECTION (1). THE PREMIUM SHALL NOT EXCEED 102% OF
19 THE APPLICABLE PORTION OF THE PREMIUM PREVIOUSLY PAID FOR THAT
20 DEPENDENT'S COVERAGE UNDER THE CERTIFICATE BEFORE THE TERMINATION
21 OF COVERAGE AT THE SPECIFIC AGE PROVIDED FOR IN THE CERTIFICATE.
22 THE APPLICABLE PORTION OF THE PREMIUM PREVIOUSLY PAID FOR THAT
23 DEPENDENT'S COVERAGE SHALL BE DETERMINED PURSUANT TO RULES ADOPTED
24 BY THE COMMISSIONER UNDER THE ADMINISTRATIVE PROCEDURES ACT OF
25 1969, 1969 PA 306, MCL 24.201 TO 24.328, BASED UPON THE DIFFERENCE
26 BETWEEN THE CERTIFICATE'S RATING TIERS FOR ADULT AND DEPENDENT
27 COVERAGE OR FAMILY COVERAGE, AS APPROPRIATE, AND SINGLE COVERAGE,

1 OR BASED UPON ANY OTHER FORMULA OR DEPENDENT RATING TIER THAT THE
2 COMMISSIONER CONSIDERS APPROPRIATE AND THAT PROVIDES A
3 SUBSTANTIALLY SIMILAR RESULT.

4 (4) THIS SECTION DOES NOT PROHIBIT AN EMPLOYER FROM REQUIRING
5 AN EMPLOYEE TO PAY ALL OR PART OF THE COST OF COVERAGE PROVIDED FOR
6 THAT EMPLOYEE'S CHILD UNDER THIS SECTION.

7 SEC. 419C. (1) IF THE MI-HEART EXCHANGE BOARD UNDER THE MI-
8 HEART ACT DETERMINES THAT SECTION 401B, 401F, 401G, 414A, 415, 416,
9 416A, 416B, 416C, 416D, OR 417 SHOULD BE WAIVED AS PROVIDED IN
10 SECTION 8 OF THE MI-HEART ACT, THEN THE SECTIONS SO IDENTIFIED BY
11 THE BOARD UNDER THE MI-HEART ACT ARE NOT REQUIRED TO BE PROVIDED OR
12 OFFERED IN AN ELIGIBLE HEALTH COVERAGE PLAN.

13 (2) AS USED IN THIS SECTION:

14 (A) "ELIGIBLE HEALTH COVERAGE PLAN" MEANS THAT TERM AS DEFINED
15 IN SECTION 3 OF THE MI-HEART ACT.

16 (B) "MI-HEART EXCHANGE BOARD" MEANS THAT TERM AS DEFINED IN
17 SECTION 3 OF THE MI-HEART ACT.

18 Enacting section 1. This amendatory act does not take effect
19 unless all of the following bills of the 94th Legislature are
20 enacted into law:

21 (a) Senate Bill No. 278.

22 (b) Senate Bill No. 283.