

# HOUSE BILL No. 4898

June 12, 2007, Introduced by Reps. Wojno, Accavitti, Miller and Polidori and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3406s.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 3406S. (1) AN EXPENSE-INCURRED HOSPITAL, MEDICAL, OR  
2 SURGICAL POLICY OR CERTIFICATE DELIVERED, ISSUED FOR DELIVERY, OR  
3 RENEWED IN THIS STATE AND A HEALTH MAINTENANCE ORGANIZATION GROUP  
4 OR INDIVIDUAL CONTRACT SHALL INCLUDE COVERAGE FOR PROSTHETICS AND  
5 ORTHOTICS THAT, AT A MINIMUM, EQUALS THE PROSTHETICS AND ORTHOTICS  
6 COVERAGE PROVIDED FOR UNDER 42 USC 1395K, 1395I, AND 1395N AND 42  
7 CFR 410.100, 414.202, 414.210, AND 414.228. COVERAGE SHALL INCLUDE  
8 REPLACEMENT FOR THE PROSTHETIC OR ORTHOTIC IF REQUIRED BECAUSE OF A  
9 CHANGE IN THE MEMBER'S PHYSICAL CONDITION AND FOR REPAIR OR  
10 REPLACEMENT IF DETERMINED APPROPRIATE BY THE MEMBER'S TREATING

1 PHYSICIAN. COVERAGE MAY BE LIMITED TO THE MOST APPROPRIATE MODEL  
2 THAT ADEQUATELY MEETS THE MEDICAL NEEDS OF THE MEMBER AS DETERMINED  
3 BY THE MEMBER'S TREATING PHYSICIAN.

4 (2) AN INSURER AND A HEALTH MAINTENANCE ORGANIZATION MAY  
5 REQUIRE PRIOR AUTHORIZATION FOR PROSTHETICS AND ORTHOTICS IN THE  
6 SAME MANNER THAT PRIOR AUTHORIZATION IS REQUIRED FOR ANY OTHER  
7 COVERED BENEFIT. AN INSURER AND A HEALTH MAINTENANCE ORGANIZATION  
8 MAY IMPOSE COPAYMENTS AND COINSURANCE AMOUNTS ON PROSTHETICS AND  
9 ORTHOTICS NOT TO EXCEED THE COPAYMENT AND COINSURANCE AMOUNTS  
10 IMPOSED FOR PROSTHETICS AND ORTHOTICS UNDER PART B OF MEDICARE, 42  
11 USC 1395J TO 1395W-4. AN INSURER AND A HEALTH MAINTENANCE  
12 ORGANIZATION SHALL REIMBURSE FOR PROSTHETICS AND ORTHOTICS AT NO  
13 LESS THAN THE FEE SCHEDULE FOR PROSTHETICS AND ORTHOTICS UNDER THE  
14 MEDICAL REIMBURSEMENT FEE SCHEDULE ESTABLISHED BY THE CENTERS FOR  
15 MEDICARE AND MEDICAID SERVICES BASED ON THE HEALTH CARE COMMON  
16 PROCEDURE CODING SYSTEM. AN INSURER AND A HEALTH MAINTENANCE  
17 ORGANIZATION SHALL NOT IMPOSE ANY ANNUAL OR LIFETIME DOLLAR MAXIMUM  
18 ON PROSTHETICS AND ORTHOTICS COVERAGE OTHER THAN AN ANNUAL OR  
19 LIFETIME DOLLAR MAXIMUM THAT APPLIES IN THE AGGREGATE TO ALL TERMS  
20 AND SERVICES COVERED UNDER THE POLICY, CERTIFICATE, OR CONTRACT.

21 (3) AS USED IN THIS SECTION:

22 (A) "ORTHOTICS" MEANS ALL SERVICES REQUIRING CUSTOM ORTHOSES.

23 (B) "PROSTHETICS" MEANS EXTERNAL EXTREMITY PROSTHETICS FOR THE  
24 APPENDICULAR SKELETON.

25 Enacting section 1. This amendatory act takes effect 180 days  
26 after the date it is enacted.