

# HOUSE BILL No. 5841

February 17, 2010, Introduced by Rep. Meekhof and referred to the Committee on Insurance.

A bill to amend 1984 PA 218, entitled  
"Third party administrator act,"  
(MCL 550.901 to 550.960) by adding section 33.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 33. (1) A THIRD PARTY ADMINISTRATOR SHALL NOT ENTER INTO  
2        A SERVICE CONTRACT IF THE BENEFIT PLAN COVERED BY THE SERVICE  
3        CONTRACT REQUIRES THAT SERVICES PROVIDED BY A DENTIST BE PROVIDED  
4        AT A FEE SET BY THE BENEFIT PLAN, EXCEPT FOR COVERED SERVICES  
5        PROVIDED TO A COVERED INDIVIDUAL UNDER THE BENEFIT PLAN.

6        (2) A THIRD PARTY ADMINISTRATOR SHALL NOT ENTER INTO A SERVICE  
7        CONTRACT THAT IMPOSES A DEDUCTIBLE, COPAYMENT, COINSURANCE, OR ANY  
8        OTHER REQUIREMENT IN SUCH A WAY AS TO PROVIDE DE MINIMIS  
9        REIMBURSEMENT AND AVOID THE IMPACT OF THIS SECTION. THE  
10       COMMISSIONER SHALL INVESTIGATE AND ISSUE A RULING ON ALL COMPLAINTS  
11       ARISING UNDER THIS SECTION.

12       (3) AS USED IN THIS SECTION, "COVERED SERVICES" MEANS THOSE

1 HEALTH CARE SERVICES FOR WHICH REIMBURSEMENT IS AVAILABLE UNDER THE  
2 BENEFIT PLAN AND THOSE HEALTH CARE SERVICES FOR WHICH REIMBURSEMENT  
3 IS NOT AVAILABLE DUE ONLY TO AN UNEXPIRED WAITING PERIOD, AN ANNUAL  
4 OR LIFETIME LIMITATION, MONETARY OR FREQUENCY LIMITATION, OR OTHER  
5 LIMITATION APPLICABLE TO THE COVERAGE FOR THE SERVICE. COVERED  
6 SERVICES DO NOT INCLUDE ANY OF THE FOLLOWING:

7 (A) A SERVICE SELECTED BY THE PATIENT REQUIRING THE USE OF  
8 MATERIAL DIFFERENT THAN THOSE COVERED BY THE BENEFIT PLAN AND WITH  
9 A COST HIGHER THAN THE AMOUNT THE BENEFIT PLAN WOULD PROVIDE FOR  
10 REIMBURSEMENT FOR THAT SERVICE, PROVIDED THAT THE DENTIST HAS  
11 REQUESTED THE PATIENT TO PAY THE AMOUNT BY WHICH THE COST OF THE  
12 SERVICE EXCEEDS THE BENEFIT PLAN REIMBURSEMENT AND THE PATIENT HAS  
13 AGREED TO PAY THE EXCESS TO THE DENTIST.

14 (B) A SERVICE SUBJECT TO A COPAYMENT OBLIGATION GREATER THAN  
15 50%.

16 (C) A SERVICE SUBJECT TO THE SATISFACTION OF A DEDUCTIBLE  
17 AMOUNT GREATER THAN \$20.00 PER SERVICE OR ANY ANNUAL OR OTHER  
18 DEDUCTIBLE AMOUNT THAT THE BENEFIT PLAN REASONABLY EXPECTS WILL NOT  
19 BE MET BY AT LEAST 50% OF THOSE SUBJECT TO THE DEDUCTIBLE  
20 REQUIREMENT.

21 Enacting section 1. This amendatory act applies to a service  
22 contract entered into after the date this amendatory act is enacted  
23 into law. For a service contract in effect on or before the date  
24 this amendatory act is enacted into law, this amendatory act  
25 applies on the date the service contract is next extended, renewed,  
26 or modified in any manner.