

HOUSE BILL No. 6241

June 8, 2010, Introduced by Reps. Ball and Corriveau and referred to the Committee on Health Policy.

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," by amending section 402b (MCL 550.1402b), as amended by 1999 PA 7, and by adding section 220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 220. A HEALTH CARE CORPORATION IS SUBJECT TO CHAPTER 37A**
2 **OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3751 TO**
3 **500.3767.**

4 Sec. 402b. (1) ~~For~~**EXCEPT AS OTHERWISE PROVIDED IN SECTION**
5 **3763 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3763, FOR**
6 an individual covered under a nongroup certificate or under a
7 certificate not covered under subsection (2), a health care
8 corporation may exclude or limit coverage for a condition only if
9 the exclusion or limitation relates to a condition for which

1 medical advice, diagnosis, care, or treatment was recommended or
2 received within 6 months before enrollment and the exclusion or
3 limitation does not extend for more than 6 months after the
4 effective date of the certificate.

5 (2) A health care corporation shall not exclude or limit
6 coverage for a preexisting condition for an individual covered
7 under a group certificate **OR AS PROVIDED IN SECTION 3763 OF THE**
8 **INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3763.**

9 (3) Notwithstanding subsection (1), a health care corporation
10 shall not issue a certificate to a person eligible for nongroup
11 coverage or eligible for a certificate not covered under subsection
12 (2) that excludes or limits coverage for a preexisting condition or
13 provides a waiting period if all of the following apply:

14 (a) The person's most recent health coverage prior to applying
15 for coverage with the health care corporation was under a group
16 health plan.

17 (b) The person was continuously covered prior to the
18 application for coverage with the health care corporation under 1
19 or more health plans for an aggregate of at least 18 months with no
20 break in coverage that exceeded 62 days.

21 (c) The person is no longer eligible for group coverage and is
22 not eligible for medicare or medicaid.

23 (d) The person did not lose eligibility for coverage for
24 failure to pay any required contribution or for an act to defraud a
25 health care corporation, a health insurer, or a health maintenance
26 organization.

27 (e) If the person was eligible for continuation of health

1 coverage from that group health plan pursuant to the consolidated
2 omnibus budget reconciliation act of 1985, Public Law 99-272, 100
3 Stat. 82, he or she has elected and exhausted that coverage.

4 (4) As used in this section, "group" means a group of 2 or
5 more subscribers.

6 Enacting section 1. This amendatory act takes effect September
7 23, 2010.

8 Enacting section 2. This amendatory act does not take effect
9 unless Senate Bill No. _____ or House Bill No. 6240 (request no.
10 06725'10) of the 95th Legislature is enacted into law.