

HOUSE BILL No. 5233

December 15, 2011, Introduced by Reps. Shirkey, Liss and O'Brien and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 3107b, 3405, 3475, and 3631 (MCL 500.3107b, 500.3405, 500.3475, and 500.3631), section 3107b as amended by 2009 PA 222 and sections 3405, 3475, and 3631 as amended by 2009 PA 227.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3107b. Reimbursement or coverage for expenses within
2 personal protection insurance coverage under section 3107 is not
3 required for either ~~either~~ **ANY** of the following:

4 (a) A practice of ~~optometric~~ **OPTOMETRY** service, unless that
5 service was included in the definition of practice of optometry
6 under section 17401 of the public health code, 1978 PA 368, MCL
7 333.17401, as of May 20, 1992.

8 (b) A practice of chiropractic service, unless that service
9 was included in the definition of practice of chiropractic under

1 section 16401 of the public health code, 1978 PA 368, MCL
2 333.16401, as of January 1, 2009.

3 (C) A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS A
4 PHYSICAL THERAPIST ASSISTANT SERVICE, UNLESS THAT SERVICE WAS
5 PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST
6 ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST
7 PURSUANT TO A PRESCRIPTION ISSUED BY AN INDIVIDUAL HOLDING A
8 LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC
9 HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO
10 333.17084, 333.17501 TO 333.17556, OR 333.18001 TO 333.18058, OR
11 THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

12 Sec. 3405. (1) For the purpose of doing business as an
13 organization under the prudent purchaser act, 1984 PA 233, MCL
14 550.51 to 550.63, an insurer authorized in this state to write
15 disability insurance that provides coverage for hospital, nursing,
16 medical, surgical, or sick-care benefits may enter into prudent
17 purchaser agreements with providers of hospital, nursing, medical,
18 surgical, or sick-care services pursuant to this section and the
19 prudent purchaser act, 1984 PA 233, MCL 550.51 to 550.63.

20 (2) An insurer may offer disability insurance policies under
21 which the insured persons shall be required, as a condition of
22 coverage, to obtain hospital, nursing, medical, surgical, or sick-
23 care services exclusively from health care providers who have
24 entered into prudent purchaser agreements. A person to whom ~~such a~~
25 policy **DESCRIBED IN THIS SUBSECTION** is offered shall also be
26 offered a policy that **DOES NOT DO ANY OF THE FOLLOWING:**

27 (a) ~~Does not, as~~ **AS** a condition of coverage, require insured

1 persons to obtain services exclusively from health care providers
2 who have entered into prudent purchaser agreements.

3 (b) ~~Does not give~~ **GIVE** a financial advantage or other
4 advantage to an insured person who elects to obtain services from
5 health care providers who have entered into prudent purchaser
6 agreements.

7 (3) An insurer may offer disability insurance policies under
8 which insured persons who elect to obtain hospital, nursing,
9 medical, surgical, or sick-care services from health care providers
10 who have entered into prudent purchaser agreements ~~shall~~ realize a
11 financial advantage or other advantage by selecting ~~such~~ providers
12 **WHO HAVE ENTERED INTO PRUDENT PURCHASER AGREEMENTS**. Policies
13 offered ~~pursuant to~~ **UNDER** this subsection shall not, as a condition
14 of coverage, require insured persons to obtain ~~such~~ **HOSPITAL,**
15 **NURSING, MEDICAL, SURGICAL, OR SICK-CARE** services exclusively from
16 health care providers who have entered into prudent purchaser
17 agreements. A person to whom ~~such~~ a policy **DESCRIBED IN THIS**
18 **SUBSECTION** is offered shall also be offered a policy that **DOES NOT**
19 **DO ANY OF THE FOLLOWING:**

20 (a) ~~Does not, as~~ **AS** a condition of coverage, require insured
21 persons to obtain services exclusively from health care providers
22 who have entered into prudent purchaser agreements.

23 (b) ~~Does not give~~ **GIVE** a financial advantage or other
24 advantage to an insured person who elects to obtain services from
25 health care providers who have entered into prudent purchaser
26 agreements.

27 (4) The rates charged by an insurer for coverage under

1 policies issued under this section shall not be unreasonably lower
2 than what is necessary to meet the expenses of the insurer for
3 providing this coverage and shall not have an anticompetitive
4 effect or result in predatory pricing in relation to prudent
5 purchaser agreement coverages offered by other organizations.

6 (5) An insurer shall not discriminate against a class of
7 health care providers when entering into prudent purchaser
8 agreements with health care providers for its provider panel. This
9 subsection does not **DO ANY OF THE FOLLOWING:**

10 (a) Prohibit the formation of a provider panel consisting of a
11 single class of providers ~~when~~**IF** a service provided for in the
12 specifications of a purchaser may legally be provided only by a
13 single class of providers.

14 (b) Prohibit the formation of a provider panel that conforms
15 to the specifications of a purchaser of the coverage authorized by
16 this section ~~so long as~~**IF** the specifications do not exclude any
17 class of health care providers who may legally perform the services
18 included in the coverage.

19 (c) Require an organization that has uniformly applied the
20 standards filed ~~pursuant to~~**UNDER** section 3(3) of the prudent
21 purchaser act, 1984 PA 233, MCL 550.53, to contract with any
22 individual provider.

23 (6) Nothing in ~~this 1984 amendatory act~~**PA 280** applies to any
24 contract that is in existence before December 20, 1984, or the
25 renewal of ~~such~~**THAT** contract.

26 (7) Notwithstanding any other provision of this act, if
27 coverage under a prudent purchaser agreement provides for benefits

1 for services that are within the scope of practice of optometry, an
2 insurer is not required to provide coverage or reimburse for a
3 practice of ~~optometric~~ **OPTOMETRY** service unless that service was
4 included in the definition of practice of optometry under section
5 17401 of the public health code, 1978 PA 368, MCL 333.17401, as of
6 May 20, 1992.

7 (8) Notwithstanding any other provision of this act, if
8 coverage under a prudent purchaser agreement provides for benefits
9 for services that are within the scope of practice of chiropractic,
10 an insurer is not required to provide coverage or reimburse for a
11 practice of chiropractic service unless that service was included
12 in the definition of practice of chiropractic under section 16401
13 of the public health code, 1978 PA 368, MCL 333.16401, as of
14 January 1, 2009.

15 (9) **NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
16 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**
17 **FOR SERVICES PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL**
18 **THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL**
19 **THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE OR**
20 **REIMBURSE FOR A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS**
21 **A PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS**
22 **PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST**
23 **ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST**
24 **PURSUANT TO A PRESCRIPTION ISSUED BY AN INDIVIDUAL HOLDING A**
25 **LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC**
26 **HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO**
27 **333.17084, 333.17501 TO 333.17556, OR 333.18001 TO 333.18058, OR**

1 **THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.**

2 Sec. 3475. (1) Notwithstanding any provision of any policy of
 3 insurance or certificate, if an insurance policy or certificate
 4 provides for reimbursement for any service ~~which may be~~ **THAT IS**
 5 legally performed by a person fully licensed as a psychologist
 6 under part 182 of the public health code, 1978 PA 368, MCL
 7 333.18201 to 333.18237; by a podiatrist licensed under part 180 of
 8 the public health code, 1978 PA 368, MCL 333.18001 to 333.18058; **OR**
 9 by a chiropractor licensed under part 164 of the public health
 10 code, 1978 PA 368, MCL 333.16401 to 333.16431; reimbursement under
 11 the insurance policy or certificate shall not be denied if the
 12 service is rendered by a person fully licensed as a psychologist
 13 under part 182 of the public health code, 1978 PA 368, MCL
 14 333.18201 to 333.18237; by a podiatrist licensed under part 180 of
 15 the public health code, 1978 PA 368, MCL 333.18001 to 333.18058; or
 16 by a chiropractor licensed under part 164 of the public health
 17 code, 1978 PA 368, MCL 333.16401 to 333.16431; within the statutory
 18 provisions provided in his or her individual practice act.

19 (2) This section does not require coverage for a psychologist
 20 in any insurance policy. ~~and~~ **THIS SECTION** does not require coverage
 21 or reimbursement for ~~a~~ **ANY OF THE FOLLOWING:**

22 **(A) A practice of chiropractic service unless that service was**
 23 **included in the definition of practice of chiropractic under**
 24 **section 16401 of the public health code, 1978 PA 368, MCL**
 25 **333.16401, as of January 1, 2009.**

26 **(B) A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS A**
 27 **PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS**

1 PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST
2 ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST
3 PURSUANT TO A PRESCRIPTION ISSUED BY AN INDIVIDUAL HOLDING A
4 LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC
5 HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO
6 333.17084, 333.17501 TO 333.17556, OR 333.18001 TO 333.18058, OR
7 THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

8 (3) This section ~~shall~~**DOES** not apply to a policy or
9 certificate written pursuant to section 3405 or 3631 involving a
10 prudent purchaser agreement.

11 Sec. 3631. (1) For the purpose of doing business as an
12 organization under the prudent purchaser act, 1984 PA 233, MCL
13 550.51 to 550.63, an insurer authorized to write group disability
14 insurance or family expense insurance that provides coverage for
15 hospital, nursing, medical, surgical, or sick-care benefits may
16 enter into prudent purchaser agreements with providers of hospital,
17 nursing, medical, surgical, or sick-care services pursuant to this
18 section and the prudent purchaser act, 1984 PA 233, MCL 550.51 to
19 550.63.

20 (2) An insurer may offer group disability insurance policies
21 or family expense policies under which the insured persons shall be
22 required, as a condition of coverage, to obtain hospital, nursing,
23 medical, surgical, or sick-care services exclusively from health
24 care providers who have entered into prudent purchaser agreements.

25 (3) An individual who is a member of a group who is offered
26 the option of being under a policy ~~pursuant to~~**UNDER** subsection (2)
27 shall also be offered the option of being insured under a policy

1 ~~pursuant to~~ **UNDER** subsection (4). This subsection applies only if
 2 the group in which the individual is a member has 25 or more
 3 members or if the provider panel that is providing the services
 4 under the group policy is limited by the organization to a specific
 5 number pursuant to section 3(1) of the prudent purchaser act, 1984
 6 PA 233, MCL 550.53.

7 (4) An insurer may offer group disability insurance policies
 8 or family expense policies under which insured persons who elect to
 9 obtain hospital, nursing, medical, surgical, or sick-care services
 10 from health care providers who have entered into prudent purchaser
 11 agreements ~~shall realize~~ a financial advantage or other advantage
 12 by selecting ~~such a provider~~ **PROVIDERS WHO HAVE ENTERED INTO**
 13 **PRUDENT PURCHASER AGREEMENTS**. Policies offered ~~pursuant to~~ **UNDER**
 14 this subsection shall not, as a condition of coverage, require
 15 insured persons to obtain ~~such~~ **HOSPITAL, NURSING, MEDICAL,**
 16 **SURGICAL, OR SICK-CARE** services exclusively from health care
 17 providers who have entered into prudent purchaser agreements.

18 (5) ~~An~~ **SUBJECT TO SUBSECTION (6), AN** individual who is a
 19 member of a group who is offered the option of being insured under
 20 a policy ~~pursuant to~~ **UNDER** subsection (2) or (4) shall also be
 21 offered the option of being insured under a policy that **DOES NOT DO**
 22 **ANY OF THE FOLLOWING:**

23 (a) ~~Does not, as~~ **AS** a condition of coverage, require insured
 24 persons to obtain services exclusively from health care providers
 25 who have entered into prudent purchaser agreements.

26 (b) ~~Does not give~~ **GIVE** a financial advantage or other
 27 advantage to an insured person who elects to obtain services from

1 health care providers who have entered into prudent purchaser
2 agreements.

3 (6) Subsection (5) applies only if the group in which the
4 individual is a member has 25 or more members and if the group on
5 December 20, 1984 had health care coverage through the group
6 sponsor.

7 (7) The rates charged by an insurer for coverage under
8 policies issued under this section shall not be unreasonably lower
9 than what is necessary to meet the expenses of the insurer for
10 providing this coverage and shall not have an anticompetitive
11 effect or result in predatory pricing in relation to prudent
12 purchaser agreement coverages offered by other organizations.

13 (8) An insurer shall not discriminate against a class of
14 health care providers when entering into prudent purchaser
15 agreements with health care providers for its provider panel. This
16 subsection does not **DO ANY OF THE FOLLOWING:**

17 (a) Prohibit the formation of a provider panel consisting of a
18 single class of providers ~~when~~ **IF** a service provided for in the
19 specifications of a purchaser may legally be provided only by a
20 single class of providers.

21 (b) Prohibit the formation of a provider panel that conforms
22 to the specifications of a purchaser of the coverage authorized by
23 this section ~~so long as~~ **IF** the specifications do not exclude any
24 class of health care providers who may legally perform the services
25 included in the coverage.

26 (c) Require an organization that has uniformly applied the
27 standards filed ~~pursuant to~~ **UNDER** section 3(3) of the prudent

1 purchaser act, 1984 PA 233, MCL 550.53, to contract with any
2 individual provider.

3 (9) Nothing in ~~this 1984 amendatory act PA 280~~ applies to any
4 contract that is in existence before December 20, 1984, or the
5 renewal of ~~such~~ **THAT** contract.

6 (10) Notwithstanding any other provision of this act, if
7 coverage under a prudent purchaser agreement provides for benefits
8 for services that are within the scope of practice of optometry, an
9 insurer is not required to provide coverage or reimburse for a
10 practice of ~~optometric~~ **OPTOMETRY** service unless that service was
11 included in the definition of practice of optometry under section
12 17401 of the public health code, 1978 PA 368, MCL 333.17401, as of
13 May 20, 1992.

14 (11) Notwithstanding any other provision of this act, if
15 coverage under a prudent purchaser agreement provides for benefits
16 for services that are within the scope of practice of chiropractic,
17 an insurer is not required to provide coverage or reimburse for a
18 practice of chiropractic service unless that service was included
19 in the definition of practice of chiropractic under section 16401
20 of the public health code, 1978 PA 368, MCL 333.16401, as of
21 January 1, 2009.

22 **(12) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
23 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**
24 **FOR SERVICES PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL**
25 **THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL**
26 **THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE OR**
27 **REIMBURSE FOR A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS**

1 A PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS
2 PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST
3 ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST
4 PURSUANT TO A PRESCRIPTION ISSUED BY AN INDIVIDUAL HOLDING A
5 LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC
6 HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO
7 333.17084, 333.17501 TO 333.17556, OR 333.18001 TO 333.18058, OR
8 THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

9 Enacting section 1. This amendatory act does not take effect
10 unless House Bill No. 4603 of the 96th Legislature is enacted into
11 law.