

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 694

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 ~~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.

1 (b) A practice of chiropractic service, unless that service
2 was included in the definition of practice of chiropractic under
3 section 16401 of the public health code, 1978 PA 368, MCL
4 333.16401, as of January 1, 2009.

5 (C) A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS A
6 PHYSICAL THERAPIST ASSISTANT SERVICE, UNLESS THAT SERVICE WAS
7 PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST
8 ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST
9 PURSUANT TO A PRESCRIPTION FROM A HEALTH CARE PROFESSIONAL WHO
10 HOLDS A LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE
11 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648,
12 333.17001 TO 333.17084, 333.17501 TO 333.17556, AND 333.18001 TO
13 333.18058, OR THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

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

22 (2) An insurer may offer disability insurance policies under
23 which the insured persons shall be required, as a condition of
24 coverage, to obtain hospital, nursing, medical, surgical, or sick-
25 care services exclusively from health care providers who have
26 entered into prudent purchaser agreements. A person to whom ~~such a~~
27 policy **DESCRIBED IN THIS SUBSECTION** is offered shall also be

1 offered a policy that **DOES NOT DO ANY OF THE FOLLOWING:**

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

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

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

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

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

1 agreements.

2 (4) ~~The~~ **AN INSURER SHALL NOT CHARGE** rates ~~charged by an~~
 3 ~~insurer~~ for coverage under policies issued under this section ~~shall~~
 4 ~~not be~~ **THAT ARE** unreasonably lower than what is necessary to meet
 5 the expenses of the insurer for providing this coverage and ~~shall~~
 6 ~~not~~ **THAT** have an anticompetitive effect or result in predatory
 7 pricing in relation to prudent purchaser agreement coverages
 8 offered by other organizations.

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

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

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

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

26 (6) Nothing in ~~this 1984 amendatory act~~ **PA 280** applies to any
 27 contract that is in existence before December 20, 1984, or the

1 renewal of ~~such~~ **THAT** contract.

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

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

18 (9) **NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
19 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**
20 **FOR SERVICES THAT ARE PROVIDED BY A LICENSED PHYSICAL THERAPIST OR**
21 **PHYSICAL THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED**
22 **PHYSICAL THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE**
23 **OR REIMBURSE FOR SERVICES PROVIDED BY A PHYSICAL THERAPIST OR A**
24 **PHYSICAL THERAPIST ASSISTANT UNLESS THAT SERVICE WAS PROVIDED BY A**
25 **LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST ASSISTANT UNDER**
26 **THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST PURSUANT TO A**
27 **PRESCRIPTION FROM A HEALTH CARE PROFESSIONAL WHO HOLDS A LICENSE**

1 ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC HEALTH CODE,
 2 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO 333.17084,
 3 333.17501 TO 333.17556, AND 333.18001 TO 333.18058, OR THE
 4 EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

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

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

25 (A) A practice of chiropractic service unless that service was
 26 included in the definition of practice of chiropractic under
 27 section 16401 of the public health code, 1978 PA 368, MCL

1 333.16401, as of January 1, 2009.

2 (B) A SERVICE PROVIDED BY A PHYSICAL THERAPIST OR PHYSICAL
3 THERAPIST ASSISTANT UNLESS THAT SERVICE WAS PROVIDED BY A LICENSED
4 PHYSICAL THERAPIST OR PHYSICAL THERAPIST ASSISTANT UNDER THE
5 SUPERVISION OF A LICENSED PHYSICAL THERAPIST PURSUANT TO A
6 PRESCRIPTION FROM A HEALTH CARE PROFESSIONAL WHO HOLDS A LICENSE
7 ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC HEALTH CODE,
8 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO 333.17084,
9 333.17501 TO 333.17556, AND 333.18001 TO 333.18058, OR THE
10 EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

11 (3) This section ~~shall~~**DOES** not apply to a policy or
12 certificate written ~~pursuant to~~**UNDER** section 3405 or 3631
13 ~~involving~~**THAT INVOLVES** a prudent purchaser agreement.

14 Sec. 3631. (1) For the purpose of doing business as an
15 organization under the prudent purchaser act, 1984 PA 233, MCL
16 550.51 to 550.63, an insurer authorized to write group disability
17 insurance or family expense insurance that provides coverage for
18 hospital, nursing, medical, surgical, or sick-care benefits may
19 enter into prudent purchaser agreements with providers of hospital,
20 nursing, medical, surgical, or sick-care services pursuant to this
21 section and the prudent purchaser act, 1984 PA 233, MCL 550.51 to
22 550.63.

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

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

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

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

(a) ~~Does not, as~~ **AS** a condition of coverage, require insured persons to obtain services exclusively from health care providers

1 who have entered into prudent purchaser agreements.

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

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

10 (7) ~~The~~ **AN INSURER SHALL NOT CHARGE** rates ~~charged by an~~
11 ~~insurer~~ for coverage under policies issued under this section ~~shall~~
12 ~~not be~~ **THAT ARE** unreasonably lower than what is necessary to meet
13 the expenses of the insurer for providing this coverage and ~~shall~~
14 ~~not~~ **THAT** have an anticompetitive effect or result in predatory
15 pricing in relation to prudent purchaser agreement coverages
16 offered by other organizations.

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

21 (a) Prohibit the formation of a provider panel consisting of a
22 single class of providers ~~when~~ **IF** a service provided for in the
23 specifications of a purchaser may legally be provided only by a
24 single class of providers.

25 (b) Prohibit the formation of a provider panel that conforms
26 to the specifications of a purchaser of the coverage authorized by
27 this section ~~so long as~~ **IF** the specifications do not exclude any

1 class of health care providers who may legally perform the services
2 included in the coverage.

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

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

10 (10) Notwithstanding any other provision of this act, if
11 coverage under a prudent purchaser agreement provides for benefits
12 for services that are within the scope of practice of optometry, an
13 insurer is not required to provide coverage or reimburse for a
14 practice of ~~optometric~~ **OPTOMETRY** service unless that service was
15 included in the definition of practice of optometry under section
16 17401 of the public health code, 1978 PA 368, MCL 333.17401, as of
17 May 20, 1992.

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

26 **(12) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
27 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**

1 FOR SERVICES THAT ARE PROVIDED BY A LICENSED PHYSICAL THERAPIST OR
2 PHYSICAL THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED
3 PHYSICAL THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE
4 OR REIMBURSE FOR A SERVICE PROVIDED BY A PHYSICAL THERAPIST OR
5 PHYSICAL THERAPIST ASSISTANT UNLESS THAT SERVICE WAS PROVIDED BY A
6 LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST ASSISTANT UNDER
7 THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST PURSUANT TO A
8 PRESCRIPTION FROM A HEALTH CARE PROFESSIONAL WHO HOLDS A LICENSE
9 ISSUED UNDER PART 166, 170, 175, OR 180 OF THE PUBLIC HEALTH CODE,
10 1978 PA 368, MCL 333.16601 TO 333.16648, 333.17001 TO 333.17084,
11 333.17501 TO 333.17556, AND 333.18001 TO 333.18058, OR THE
12 EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

13 Enacting section 1. This amendatory act does not take effect
14 unless Senate Bill No. 690 of the 97th Legislature is enacted into
15 law.