

# HOUSE BILL No. 4877

June 20, 2013, Introduced by Reps. Foster, Jacobsen, Callton, Farrington, Yonker, Genetski, Haines, Darany, Stallworth, Zorn, Hooker, Hovey-Wright, Kivela, Kowall, Abed and Knezek and referred to the Committee on Health Policy.

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 FOR A BENEFIT PLAN IF THE BENEFIT PLAN INCLUDES  
3        A HEALTH CARE SERVICE AS A COVERED HEALTH CARE BENEFIT AND EITHER  
4        OF THE FOLLOWING APPLIES TO THE BENEFIT PLAN:

5            (A) THE COPAYMENT OR COINSURANCE FOR THE HEALTH CARE SERVICE  
6        PAYABLE BY THE COVERED INDIVIDUAL IS GREATER THAN 50% OF THE COST  
7        OF THE HEALTH CARE SERVICE.

8            (B) THE DEDUCTIBLE FOR THE HEALTH CARE SERVICE PAYABLE BY THE  
9        COVERED INDIVIDUAL MEETS EITHER OF THE FOLLOWING:

10           (i) IS ESTABLISHED IN SUCH A WAY AS TO PROVIDE DE MINIMIS

1 REIMBURSEMENT FOR THE SERVICE.

2 (ii) HAS AN ANNUAL OR OTHER DEDUCTIBLE AMOUNT THAT THE PLAN  
3 SPONSOR REASONABLY KNOWS WILL NOT BE MET BY AT LEAST 80% OF THE  
4 COVERED INDIVIDUALS.

5 (2) THE DIRECTOR OF INSURANCE AND FINANCIAL SERVICES SHALL  
6 INVESTIGATE AND ISSUE A RULING ON ALL COMPLAINTS ARISING UNDER THIS  
7 SECTION.

8 Enacting section 1. This amendatory act applies to a service  
9 contract entered into after the date this amendatory act is enacted  
10 into law. For a service contract in effect on or before the date  
11 this amendatory act is enacted into law, this amendatory act  
12 applies on the date the service contract is next extended, renewed,  
13 or modified in any manner.