

HOUSE BILL No. 5357

February 25, 2014, Introduced by Reps. Price, O'Brien, Foster, Shirkey, Yonker, Robinson,
Hovey-Wright, Dillon, Glardon and Zorn and referred to the Committee on Health Policy.

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~~ **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

1 was included in the definition of practice of chiropractic under
2 section 16401 of the public health code, 1978 PA 368, MCL
3 333.16401, as of January 1, 2009.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **(9) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
18 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**
19 **FOR SERVICES PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL**
20 **THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL**
21 **THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE OR**
22 **REIMBURSE FOR A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS**
23 **A PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS**
24 **PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST**
25 **ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST**
26 **PURSUANT TO A REFERRAL ISSUED BY A HEALTH CARE PROFESSIONAL WHO**
27 **HOLDS A LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE**

1 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648,
2 333.17001 TO 333.17084, 333.17501 TO 333.17556, OR 333.18001 TO
3 333.18058, OR THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

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

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

24 (A) A practice of chiropractic service unless that service was
25 included in the definition of practice of chiropractic under
26 section 16401 of the public health code, 1978 PA 368, MCL
27 333.16401, as of January 1, 2009.

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

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

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

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

27 (3) An individual who is a member of a group who is offered

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

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

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

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

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

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

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

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

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

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

1 included in the coverage.

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

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

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

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

25 **(12) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
26 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**
27 **FOR SERVICES PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL**

1 THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL
2 THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE OR
3 REIMBURSE FOR A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS
4 A 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 REFERRAL ISSUED BY A HEALTH CARE PROFESSIONAL WHO
8 HOLDS A LICENSE ISSUED UNDER PART 166, 170, 175, OR 180 OF THE
9 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16601 TO 333.16648,
10 333.17001 TO 333.17084, 333.17501 TO 333.17556, OR 333.18001 TO
11 333.18058, OR THE EQUIVALENT LICENSE ISSUED BY ANOTHER STATE.

12 Enacting section 1. This amendatory act does not take effect
13 unless House Bill No. 5356 (request no. H00106'13 ***) of the 97th
14 Legislature is enacted into law.