

SENATE BILL No. 459

July 31, 2013, Introduced by Senators COLBECK and SCHUITMAKER and referred to the Committee on Government Operations.

A bill to ensure access to quality health care and the availability of qualified health plans in this state without expanding government assistance programs; to promote the availability and affordability of health care coverage in this state; to create a mechanism for residents of this state to secure essential health benefits; to establish a regulatory program for a private marketplace and data interface; to create a fund; to provide for the powers and duties of certain state and local governmental officers and entities; and to allow for the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) This act shall be known and may be cited as the
2 "patient-centered care act".

1 (2) As used in this act, the words and phrases defined in
2 sections 3 to 5 have the meanings ascribed to them in those
3 sections.

4 Sec. 3. (1) "Department" means the department of insurance and
5 financial services.

6 (2) "Director" means the director of the department.

7 (3) "Exchange" means an entity licensed under this act to
8 provide a marketplace for residents to secure essential health
9 benefits through a qualified health plan or government assistance
10 program.

11 (4) "Federal act" means the patient protection and affordable
12 care act, Public Law 111-148, as amended by the health care and
13 education reconciliation act of 2010, Public Law 111-152.

14 (5) "Fund" means the low-income trust fund created in section
15 11.

16 (6) "Government assistance program" means a program of health
17 care assistance offered by a federal, state, or local governmental
18 entity including, but not limited to, medicaid, medicare, the
19 MICHild program, the veterans health administration, and any other
20 program of health care assistance identified by the department.

21 Sec. 5. (1) "Medicaid" means a program for medical assistance
22 established under title XIX of the social security act, 42 USC 1396
23 to 1396w-5, and administered by the department of community health
24 under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

25 (2) "Medicare" means the federal medicare program established
26 under title XVIII of the social security act, 42 USC 1395 to
27 1395kkk-1.

1 (3) "Qualified health plan" means a benefit plan that is
2 certified as a qualified health plan under section 7.

3 (4) "Resident" means an individual who is a citizen of the
4 United States, who voluntarily lives in this state with the
5 intention of making his or her home in this state and not for a
6 temporary purpose, and who is not receiving public assistance from
7 another state.

8 Sec. 7. (1) For the purpose of available coverage choices for
9 residents, the department shall certify as a qualified health plan
10 a benefit plan that complies with 42 USC 18021 and that meets the
11 requirements of this section.

12 (2) In certifying a benefit plan as a qualified health plan
13 under this section, the director shall ensure that the benefit plan
14 meets all of the following requirements:

15 (a) Is offered by a health insurer issuer as described in 42
16 USC 18021(a) (1) (C) .

17 (b) Offers access to quality health care by providing coverage
18 under a package of benefits that is equal to or greater than that
19 required as an essential health benefits package as defined in 42
20 USC 18022. The department shall consider all of the following when
21 makings its determination under this subdivision:

22 (i) The availability in the package of benefits under a
23 traditional insurance option.

24 (ii) The availability in the package of direct primary care
25 services.

26 (iii) The availability in the package of fee-for-service
27 options, but only if there is a sufficient balance in the benefit

1 package account to cover minimum essential benefits in combination
2 with other coverage.

3 (iv) The availability in the package of any combination of the
4 options described in subparagraphs (i) to (iii).

5 Sec. 9. (1) Subject to subsection (7), the department shall
6 establish and administer a program to license private entities as
7 an exchange in this state. The department shall develop an
8 application form and require the submission of documents and
9 information sufficient to determine if the applicant is eligible
10 for a license or renewal of a license as an exchange under this
11 section. The director shall issue a license or renewal of a license
12 to a person who applies to be an exchange in this state and who
13 meets all of the following requirements:

14 (a) The individuals who are identified as being a part of or
15 associated with the exchange are of good moral character as defined
16 in section 1200 of the insurance code of 1956, 1956 PA 218, MCL
17 500.1200.

18 (b) The person submits with a license or license renewal
19 application a plan of operation that details its ability to meet
20 the requirements of this section.

21 (2) The department shall investigate and determine the merits
22 of each application submitted by a person under this section. The
23 department may request additional information from an applicant or
24 licensee under this section. An applicant or licensee shall comply
25 with requests for additional information from the department in a
26 timely manner.

27 (3) In addition to criteria established by the department

1 under this section, the department shall determine that the
2 exchange to be operated by the applicant or licensee meets all of
3 the following requirements before issuing a license or license
4 renewal under this section:

5 (a) Is designed to offer 1 or more qualified health plans to
6 residents.

7 (b) Will comply with all data security requirements
8 established for an exchange under this act.

9 (c) Is designed so that the enrollment process provides a
10 resident with the option to provide information necessary to
11 determine the resident's eligibility for government assistance
12 programs.

13 (d) Will ensure accuracy in all aspects of the operation of
14 the exchange.

15 (e) Will operate with fiscal solvency.

16 (f) Will comply with all data security requirements
17 established by the department under this act.

18 (g) Will seamlessly and securely make data transmissions that
19 are required under this act.

20 (h) Will convey government assistance program eligibility
21 information to residents.

22 (i) Will comply with any other applicable federal or state law
23 governing the privacy of any personally identifying information or
24 health or medical information of a resident.

25 (j) Will ensure that a resident who is eligible for a
26 government assistance program receives a discount from the base
27 cost of a benefit package in a manner that will enable the resident

1 to realize 100% of the value of the government assistance program.

2 (k) If the department determines that enrollment in a
3 government assistance program through an exchange is not allowed
4 under the federal act, will issue a coupon to a resident who is
5 eligible for a government assistance program that may be redeemed
6 by the resident at the appropriate government assistance program
7 portal or other appropriate state or local agency.

8 (4) In developing security standards and data transmission
9 requirements applicable to an exchange under this act, the
10 department shall ensure all of the following:

11 (a) That no information beyond that information necessary to
12 determine eligibility for government assistance programs is
13 transmitted to any person outside of the exchange.

14 (b) That a standardized data schema is used for exchanges to
15 collect the information that is necessary to determine eligibility
16 for government assistance programs and convey information
17 pertaining to that eligibility.

18 (5) The department shall develop and maintain a government
19 assistance program portal for use by exchanges and, if the
20 department determines appropriate, by government assistance
21 programs, that facilitates the receipt and transmission of data but
22 only for uses approved by the department under this act.

23 (6) The department shall reconcile eligibility for multiple
24 government assistance programs to ensure that benefit eligibility
25 is determined in the context of cumulative benefits received as a
26 means of reducing fraud.

27 (7) The department shall request the United States department

1 of health and human services for a determination of whether an
2 exchange to be licensed under this section will be considered to
3 meet the qualifications of an exchange for the purposes described
4 in 41 USC 13031. If the department determines that an exchange to
5 be licensed under this section will not meet the qualifications of
6 an exchange for the purposes described in 41 USC 13031, the
7 department shall only issue a license under this section to
8 nonprofit entities that meet those qualifications.

9 Sec. 11. (1) The low-income trust fund is created within the
10 state treasury.

11 (2) The state treasurer may receive money or other assets from
12 any source for deposit into the fund. The state treasurer shall
13 direct the investment of the fund. The state treasurer shall credit
14 to the fund interest and earnings from fund investments.

15 (3) Money in the fund at the close of the fiscal year shall
16 remain in the fund and shall not lapse to the general fund.

17 (4) The department is the administrator of the fund for
18 auditing purposes.

19 (5) The director shall expend money from the fund only for the
20 purposes of implementing and administering this act and for any
21 other purpose enumerated in this act.

22 (6) If the social welfare act, 1939 PA 280, MCL 400.1 to
23 400.119b, is amended to provide that recipients of the medical
24 assistance program and the MICHild program are migrated from those
25 programs and enrolled in qualified health plans that include a
26 health savings account component through an exchange as provided in
27 this act, and money saved from that migration is deposited into the

1 fund, the director shall expend the amount of money deposited into
2 the fund for the benefit of those former recipients to pay any
3 deductibles under high-deductible health insurance plan components
4 of a qualified health plan as triggered by the health care services
5 needed by the former recipients. The director shall continue to pay
6 the deductibles for those former recipients until such time as each
7 former recipient's individual health savings account balance is
8 determined by the department to be actuarially sufficient to cover
9 his or her deductibles.

10 Sec. 13. The department may promulgate rules under the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
12 24.328, that it determines necessary to implement and administer
13 this act.