

SENATE BILL No. 694

November 14, 2013, Introduced by Senators GREEN, HILDENBRAND, MOOLENAAR, PAPPAGEORGE, WARREN, MEEKHOF, CASPERSON and BRANDENBURG 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 ~~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 FROM A HEALTH PROFESSIONAL AS THAT TERM
8 IS DEFINED IN SECTION 17801 OF THE PUBLIC HEALTH CODE, 1978 PA 368,
9 MCL 333.17801.

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

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

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

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

25 (4) ~~The~~ **AN INSURER SHALL NOT CHARGE** rates ~~charged by an~~
 26 ~~insurer for coverage under policies issued under this section shall~~
 27 ~~not be~~ **THAT ARE** unreasonably lower than what is necessary to meet

1 the expenses of the insurer for providing this coverage and ~~shall~~
2 ~~not~~**THAT** have an anticompetitive effect or result in predatory
3 pricing in relation to prudent purchaser agreement coverages
4 offered by other organizations.

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

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

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

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

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

25 (7) Notwithstanding any other provision of this act, if
26 coverage under a prudent purchaser agreement provides for benefits
27 for services that are within the scope of practice of optometry, an

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

6 (8) 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 chiropractic,
9 an insurer is not required to provide coverage or reimburse for a
10 practice of chiropractic service unless that service was included
11 in the definition of practice of chiropractic under section 16401
12 of the public health code, 1978 PA 368, MCL 333.16401, as of
13 January 1, 2009.

14 (9) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF
15 COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS
16 FOR SERVICES PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL
17 THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL
18 THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE OR
19 REIMBURSE FOR A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS
20 A PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS
21 PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST
22 ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST
23 PURSUANT TO A PRESCRIPTION FROM A HEALTH PROFESSIONAL AS THAT TERM
24 IS DEFINED IN SECTION 17801 OF THE PUBLIC HEALTH CODE, 1978 PA 368,
25 MCL 333.17801.

26 Sec. 3475. (1) Notwithstanding any provision of any policy of
27 insurance or certificate, if an insurance policy or certificate

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

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

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

23 (B) **A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS A**
 24 **PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS**
 25 **PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST**
 26 **ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST**
 27 **PURSUANT TO A PRESCRIPTION FROM A HEALTH PROFESSIONAL AS THAT TERM**

1 IS DEFINED IN SECTION 17801 OF THE PUBLIC HEALTH CODE, 1978 PA 368,
2 MCL 333.17801.

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

6 Sec. 3631. (1) For the purpose of doing business as an
7 organization under the prudent purchaser act, 1984 PA 233, MCL
8 550.51 to 550.63, an insurer authorized to write group disability
9 insurance or family expense insurance that provides coverage for
10 hospital, nursing, medical, surgical, or sick-care benefits may
11 enter into prudent purchaser agreements with providers of hospital,
12 nursing, medical, surgical, or sick-care services pursuant to this
13 section and the prudent purchaser act, 1984 PA 233, MCL 550.51 to
14 550.63.

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

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

1 PA 233, MCL 550.53.

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

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

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

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

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

1 sponsor.

2 (7) ~~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 (8) 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 (9) 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 (10) 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 (11) 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 **(12) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF**
19 **COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT PROVIDES FOR BENEFITS**
20 **FOR SERVICES PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL**
21 **THERAPIST ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL**
22 **THERAPIST, AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE OR**
23 **REIMBURSE FOR A PRACTICE OF PHYSICAL THERAPY SERVICE OR PRACTICE AS**
24 **A PHYSICAL THERAPIST ASSISTANT SERVICE UNLESS THAT SERVICE WAS**
25 **PROVIDED BY A LICENSED PHYSICAL THERAPIST OR PHYSICAL THERAPIST**
26 **ASSISTANT UNDER THE SUPERVISION OF A LICENSED PHYSICAL THERAPIST**
27 **PURSUANT TO A PRESCRIPTION FROM A HEALTH PROFESSIONAL AS THAT TERM**

1 IS DEFINED IN SECTION 17801 OF THE PUBLIC HEALTH CODE, 1978 PA 368,
 2 MCL 333.17801.

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