

SENATE BILL No. 1007

May 31, 2016, Introduced by Senator JONES and referred to the Committee on Insurance.

A bill to amend 2012 PA 101, entitled
"Autism coverage reimbursement act,"
by amending section 7 (MCL 550.1837).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The autism coverage fund is created within the
2 state treasury.

3 (2) The state treasurer may receive money or other assets from
4 any source for deposit into the fund. The state treasurer shall
5 direct the investment of the fund. The state treasurer shall credit
6 to the fund interest and earnings from fund investments.

7 (3) The department ~~shall be~~ **IS** the administrator of the fund
8 for auditing purposes. The department shall expend money from the
9 fund, ~~upon~~ **ON** appropriation, only for the purpose of creating,
10 operating, and funding the program.

11 (4) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7), THE**

1 department shall reimburse carriers and third party administrators
2 from the fund in the order in which the applications are approved
3 under the program. If there is insufficient money in the fund to
4 reimburse a carrier or third party administrator for paid claims
5 approved under section 5, ~~then reimbursement shall~~ **MUST** not be
6 made. However, applications that are approved but not reimbursed
7 may be paid if revenues of the fund become available.

8 (5) The department shall develop and implement a process to
9 notify carriers, third party administrators, and the legislature
10 that funds in this program may be insufficient to cover future
11 claims when the department reasonably believes that within 60 days
12 the funds in the program will be insufficient to pay claims. The
13 process shall, at a minimum, do all of the following:

14 (a) Identify a specific date by which carriers and third party
15 administrators will no longer receive reimbursement for claims
16 submitted to the program.

17 (b) Outline a clear process indicating the order in which
18 claims pending with the program will be paid.

19 (c) Outline a clear process indicating the order in which
20 claims that were pending with the program when funds became
21 insufficient will be paid if funds subsequently become available.

22 (6) Money in the fund at the close of the fiscal year shall
23 remain in the fund and shall not lapse to the general fund.

24 **(7) SUBJECT TO SUBSECTION (8), FROM MONEY APPROPRIATED TO THE**
25 **FUND IN CALENDAR YEAR 2016, THE DEPARTMENT SHALL REIMBURSE A**
26 **CARRIER OR THIRD PARTY ADMINISTRATOR FOR A PAID CLAIM APPROVED**
27 **UNDER SECTION 5 PURSUANT TO THE FORMULA UNDER SUBSECTION (8) IF THE**

1 FOLLOWING CONDITIONS ARE MET:

2 (A) THE CARRIER OR THIRD PARTY ADMINISTRATOR SUBMITS ITS
3 APPLICATION UNDER SECTION 5 BEFORE MAY 1, 2016.

4 (B) THE SERVICES FOR WHICH THE CARRIER OR THIRD PARTY
5 ADMINISTRATOR IS SEEKING REIMBURSEMENT WERE PROVIDED BEFORE
6 CALENDAR YEAR 2016.

7 (C) THE DEPARTMENT APPROVES THE APPLICATION OF THE CARRIER OR
8 THIRD PARTY ADMINISTRATOR BEFORE JULY 1, 2016.

9 (8) THE DEPARTMENT SHALL REIMBURSE A CARRIER OR THIRD PARTY
10 ADMINISTRATOR UNDER SUBSECTION (7) PURSUANT TO THE FOLLOWING
11 FORMULA:

12 (A) FIRST, DIVIDE THE MONEY APPROPRIATED TO THE FUND IN
13 CALENDAR YEAR 2016 BY THE TOTAL PAID CLAIMS APPROVED UNDER SECTION
14 5 THAT MEET THE CONDITIONS UNDER SUBSECTION (7).

15 (B) SECOND, MULTIPLY THE CALCULATION UNDER SUBDIVISION (A) BY
16 THE AMOUNT OF THE CARRIER'S OR THIRD PARTY ADMINISTRATOR'S PAID
17 CLAIM APPROVED UNDER SECTION 5 THAT MEETS THE CONDITIONS OF
18 SUBSECTION (7).