

SUBSTITUTE FOR
HOUSE BILL NO. 5825

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 3406jj.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3406jj. (1) An insurer that delivers, issues for
2 delivery, or renews in this state a health insurance policy shall
3 issue rebates to its insured in accordance with 42 USC 300gg-18 and
4 the regulations promulgated under that section of law if the
5 insurer does not meet the medical loss ratio as required by the
6 patient protection and affordable care act, Public Law 111-148, as
7 amended by the health care and education reconciliation act of
8 2010, Public Law 111-152, and the regulations promulgated under
9 that section. An insurer described in this subsection that complies

1 with the applicable federal medical loss ratio calculation and
2 provision of rebates requirements is considered to meet the
3 requirements under this section. An insurer described in this
4 subsection that reports its medical loss ratio calculation and
5 other rebate information to the United States Department of Health
6 and Human Services shall concurrently file that information with
7 the department.

8 (2) This section does not apply to a health insurance policy
9 that is not required to issue rebates under the patient protection
10 and affordable care act, Public Law 111-148, as amended by the
11 health care and education reconciliation act of 2010, Public Law
12 111-152, including plans that cover retirees as described in 29 USC
13 1191a(a).

14 (3) This section does not apply to grandfathered health plan
15 coverage as that term is defined in 45 CFR 147.140.