

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.