

AUTISM COVERAGE REIMBURSEMENT ACT (EXCERPT)
Act 101 of 2012

550.1835 Autism coverage reimbursement program; creation; operation; development of application, approval, and compliance process; forms; approval or denial of application; limitation on amount of coverage; receipt of funding by third party administrator; increase in rates by carrier.

Sec. 5. (1) No later than 120 days after the effective date of this act, the department shall create and operate an autism coverage reimbursement program to encourage carriers to provide coverage for the diagnosis of autism spectrum disorders and treatment of autism spectrum disorders and, to the extent coverage for the diagnosis of autism spectrum disorders and treatment of autism spectrum disorders is required under section 416e of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1416e, or section 3406s of the insurance code of 1956, 1956 PA 218, MCL 500.3406s, to offset any additional costs that may be incurred as a result of the mandate.

(2) The department shall develop the application, approval, and compliance process necessary to operate and manage this program. The department shall develop and implement the use of an application form to be used by carriers and third party administrators who seek reimbursement for the coverage of autism spectrum disorders. The program standards, guidelines, templates, and any other forms used by the department to implement this program shall be published and available on the department's website.

(3) Subject to the limitations provided under this section, the program shall, as approved by the department, reimburse carriers and third party administrators in an amount equal to the amount of paid claims that are paid 180 days after the effective date of this act by the carrier or third party administrator. A carrier or third party administrator shall apply, on the form prescribed by the department, for approval of funding associated with paid claims. As part of the application, the applicant shall include the results from a completed autism diagnostic observation schedule or the results from any other annual development evaluation and documentation verifying those paid claims for which they are seeking reimbursement under this program. In determining whether to approve an application for the reimbursement of paid claims under this section, the department may review whether the treatment for which the paid claims were paid is consistent with current protocols and cost-containment practices as described in section 416e of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1416e, or section 3406s of the insurance code of 1956, 1956 PA 218, MCL 500.3406s. The department shall review and consider applications in the order in which they are received and shall approve or deny an application within 30 days after receipt of the application.

(4) To the extent there is a cap on the amount of coverage mandated under section 416e of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1416e, or section 3406s of the insurance code of 1956, 1956 PA 218, MCL 500.3406s, the department shall not approve more than the mandated amount to any carrier or third party administrator that seeks reimbursement under this act for paid claims.

(5) If a third party administrator receives any funding under this program, the third party administrator shall apply that funding to the benefit of the carrier covering the claim upon which the funding was received.

(6) If the department determines at the end of the fiscal year that a carrier was not fully reimbursed for paid claims paid due to a shortfall in the reimbursement fund for the fiscal year, and the carrier increases its rates in the following year to cover the total amount of such unreimbursed paid claims, the rate increase shall not be considered reimbursement or compensation for paid claims paid under section 3(n)(viii), if the commissioner determines that such rate increase is a reasonable recoupment of the amount of such unreimbursed paid claims.

History: 2012, Act 101, Imd. Eff. Apr. 18, 2012.

Compiler's note: For transfer of autism coverage reimbursement program from department of licensing and regulatory affairs to department of insurance and financial services, see E.R.O. No. 2013-1, compiled at MCL 550.991.