

HOUSE BILL No. 4715

April 26, 1989, Introduced by Reps. Saunders, DeMars, Stallworth, Kilpatrick, Kosteva, Wallace, Watkins, Joe Young, Sr. and Gubow and referred to the Committee on Insurance.

A bill to amend section 3425 of Act No. 218 of the Public Acts of 1956, entitled as amended
"The insurance code of 1956,"
as added by Act No. 429 of the Public Acts of 1980, being section 500.3425 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3425 of Act No. 218 of the Public Acts
2 of 1956, as added by Act No. 429 of the Public Acts of 1980,
3 being section 500.3425 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 3425. (1) Each insurer offering health insurance pol-
6 icies in this state shall provide coverage for intermediate and
7 outpatient care for substance abuse, upon issuance or renewal, in
8 all contracts for, group and individual hospital, medical,

1 surgical expense-incurred health insurance policies other than
2 limited classification policies.

3 (2) ~~In the case of~~ FOR group health insurance policies, if
4 the premium for a group health insurance policy would be
5 increased by 3% or more because of the provision of the coverage
6 required under subsection (1), the master policyholder shall have
7 the option to decline the coverage required to be provided under
8 subsection (1). ~~In the case of~~ FOR individual health insurance
9 policies, if the total premium for all individual health insur-
10 ance policies of an insurer would be increased by 3% or more
11 because of the provision of the coverage required under subsec-
12 tion (1) in all of those policies, the named insured of each
13 ~~such~~ policy shall have the option to decline the coverage
14 required to be provided under subsection (1).

15 (3) Charges, terms, and conditions for the coverage required
16 to be provided under subsection (1) shall not be less favorable
17 than the maximum prescribed for any other comparable service.

18 (4) The coverage required to be provided under subsection
19 (1) shall not be reduced by terms or conditions which apply to
20 other items of coverage in a health insurance policy, group or
21 individual. This subsection shall not be construed to prohibit
22 health insurance policies that provide for deductibles and copay-
23 ment provisions for coverage for intermediate and outpatient care
24 for substance abuse.

25 (5) The coverage required to be provided under subsection
26 (1) shall, at a minimum, provide for up to \$1,500.00 in benefits
27 for intermediate and outpatient care for substance abuse per

1 individual per year. This minimum shall be adjusted annually by
2 March 31 each year in accordance with the annual average percent-
3 tage increase or decrease in the United States consumer price
4 index for the 12-month period ending the preceding December 31.

5 (6) As used in this section:

6 (a) "Health insurance policy" means a hospital, medical, or
7 surgical expense-incurred policy.

8 (b) "Intermediate care" means the use, in a full 24-hour
9 residential therapy setting, or in a partial, less than 24-hour,
10 residential therapy setting, of any or all of the following ther-
11 apeutic techniques, as identified in a treatment plan for indi-
12 viduals physiologically or psychologically dependent upon or
13 abusing alcohol or drugs:

14 (i) Chemotherapy.

15 (ii) Counseling, INCLUDING FAMILY COUNSELING AND
16 INTERVENTION.

17 (iii) Detoxification services.

18 (iv) Other ancillary services, such as medical testing,
19 diagnostic evaluation, and referral to other services identified
20 in a treatment plan.

21 (c) "Limited classification policy" means an accident only
22 policy, a limited accident policy, a travel accident policy, or a
23 specified disease policy.

24 (d) "Outpatient care" means the use, on both a scheduled and
25 a nonscheduled basis, of any or all of the following therapeutic
26 techniques, as identified in a treatment plan for individuals

1 physiologically or psychologically dependent upon or abusing
2 alcohol or drugs:

3 (i) Chemotherapy.

4 (ii) Counseling, INCLUDING FAMILY COUNSELING AND
5 INTERVENTION.

6 (iii) Detoxification services.

7 (iv) Other ancillary services, such as medical testing,
8 diagnostic evaluation, and referral to other services identified
9 in a treatment plan.

10 (e) "Substance abuse" means that term as defined in section
11 6107 of Act No. 368 of the Public Acts of 1978, being section
12 333.6107 of the Michigan Compiled Laws.

13 ~~(7) This section shall take effect January 1, 1982.~~

14 Section 2. This amendatory act shall not take effect unless
15 Senate Bill No. _____ or House Bill No. 4714 (request
16 no. 02423'89) of the 85th Legislature is enacted into law.