

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 358

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3406ee. (1) An insurer that delivers, issues for
2 delivery, or renews in this state in the individual or small group
3 market a health insurance policy shall offer health insurance
4 policies that provide at least 1 of the following levels of
5 coverage:

6 (a) Coverage designed to provide benefits actuarially
7 equivalent to 60% of the full actuarial value of the benefits
8 provided under the policy.

9 (b) Coverage designed to provide benefits actuarially

1 equivalent to 70% of the full actuarial value of the benefits
2 provided under the policy.

3 (c) Coverage designed to provide benefits actuarially
4 equivalent to 80% of the full actuarial value of the benefits
5 provided under the policy.

6 (d) Coverage designed to provide benefits actuarially
7 equivalent to 90% of the full actuarial value of the benefits
8 provided under the policy.

9 (2) For plan years beginning after the effective date of the
10 amendatory act that added this section, the allowable variation in
11 the actuarial value of a health insurance policy that does not
12 result in a material difference in the true dollar value of the
13 health insurance policy is the de minimis variation as described in
14 45 CFR 156.140.

15 (3) For purposes of determining compliance with subsections
16 (1) to (2), an insurer described in subsection (1) must use the
17 actuarial calculator developed and made available by the federal
18 department of health and human services for the applicable plan
19 year. Subject to subsection (4), if the federal department of
20 health and human services has not developed and made available the
21 calculator, an insurer described in subsection (1) may use the most
22 recently issued calculator. If a health insurance policy's design
23 is not compatible with the calculator, the insurer must submit an
24 actuarial certification from an actuary, who is a member of the
25 American Academy of Actuaries, using 1 of the following
26 methodologies:

27 (a) Calculate the health insurance policy's actuarial value
28 by:

29 (i) Estimating a fit of its plan design into the parameters of

1 the calculator.

2 (ii) Having the actuary certify that the plan design fits
3 appropriately in accordance with generally accepted actuarial
4 principles and methodologies.

5 (b) Use the calculator to determine the actuarial value for
6 the health insurance policy provisions that fit within the
7 calculator parameters and have the actuary calculate and certify,
8 in accordance with generally accepted actuarial principles and
9 methodologies, appropriate adjustments to the actuarial value
10 identified by the calculator, for plan design features that deviate
11 substantially from the parameters of the calculator.

12 (4) The calculation methods described in subsection (3) may
13 include only in-network cost-sharing, including multitier networks.

14 (5) This section does not apply to a short-term or 1-time
15 limited duration policy or certificate of not longer than 6 months
16 as described in section 2213b, a grandfathered plan as that term is
17 defined in 45 CFR 147.140, or a catastrophic plan as described in
18 45 CFR 156.155.