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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

(b) Coverage designed to provide benefits actuarially
equivalent to 70% of the full actuarial value of the benefits
provided under the policy.

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

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

(2) For plan years beginning after the effective date of the
amendatory act that added this section, the allowable variation in
the actuarial value of a health insurance policy that does not
result in a material difference in the true dollar value of the
health insurance policy is −2 percentage points and +2 percentage
points. However, if a health insurance policy under subsection
(1)(a) covers and pays for at least 1 major service, other than
preventive services, before the deductible or meets the
requirements to be a high deductible health plan within the meaning
of section 223(c)(2) of the internal revenue code of 1986, 26 USC
223, the allowable variation in actuarial value for the health
insurance policy is −2 percentage points and +5 percentage points.

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

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

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

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

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

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

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