

# Legislative Analysis



## CODIFYING AFFORDABLE CARE ACT PROVISIONS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4619 as introduced**  
**Sponsor: Rep. Julie M. Rogers**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 4620 as introduced**  
**Sponsor: Rep. Kimberly Edwards**

**House Bill 4621 as introduced**  
**Sponsor: Rep. John Fitzgerald**

**House Bill 4622 as introduced**  
**Sponsor: Rep. Reggie Miller**

**House Bill 4623 as introduced**  
**Sponsor: Rep. Matt Koleszar**

**Committee: Insurance and Financial Services**  
**Complete to 6-7-23**

### SUMMARY:

House Bills 4619, 4620, 4621, 4622, and 4623 would amend the Insurance Code of 1956 to add various health insurance requirements and protections for insured individuals in Michigan.

**House Bill 4619** would add various characteristics to those that are protected from certain practices.

Currently, the act prohibits an insurer from limiting the amount of coverage available to an individual or refusing to insure or continue to insure an individual based on race, color, creed, marital status, sex, or national origin. The bill would add gender, gender identity or expression, and sexual orientation to the characteristics covered by this provision.

In addition, the act requires that charging a different rate for the same coverage based on an individual's sex, marital status, age, residence, location of risk, disability, or lawful occupation must be based on sound actuarial principles, a reasonable classification system, and be related to the actual and credible loss statistics or, in the case of new coverages, reasonably anticipated experience. The bill would add race, color, creed, national origin, gender, gender identity or expression, and sexual orientation to the characteristics covered by this protection.

MCL 500.2027

**House Bill 4620** would prohibit an insurer that delivers, issues for delivery, or renews a health insurance policy in Michigan from limiting or excluding coverage for an individual by imposing a *preexisting condition exclusion* on the individual.

The prohibition would not apply to any of the following:

- A grandfathered health plan that provides individual insurance coverage.
- Insurance coverage that provides benefits for any of the following:
  - Hospital confinement indemnity.

- Disability income.
- Accident only.
- Long-term care.
- Medicare supplement.
- Limited benefit health.
- Specified disease indemnity.
- Sickness or bodily injury, or death by accident, or both.
- Other limited benefit policies.

***Preexisting condition exclusion*** would mean a limitation or exclusion of benefits or a denial of coverage based on a physical or mental condition being present before the effective date of coverage or before the date coverage is denied, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before the date of the coverage or denial of coverage.

Proposed MCL 500.3406z<sup>1</sup>

**House Bill 4621** would require health insurance policies that make dependent coverage available to offer the dependent coverage until a dependent is 26 years of age, at the option of the policyholder.

The bill would also require that a policy that offers dependent coverage to offer that coverage to a dependent child with a disability, regardless of the age of the child. In order to maintain this coverage, a parent would be required to furnish proof of the child's disability within 30 days after the child turns 26 years old and subsequently as required by the insurer. After the dependent child reaches 28 years old, the insurer would only be allowed to require proof of disability once per year.

Finally, the bill would require that an insurer provide the same insurance benefits, at the same rate or premium, to dependent children as for any other covered dependent.

MCL 500.3403

**House Bill 4622** would prohibit an insurer that delivers, issues for delivery, or renews a health insurance policy in Michigan from instituting annual or lifetime limits on the dollar value of benefits for an insured.

Proposed MCL 500.3406z<sup>1</sup>

**House Bill 4623** would require an insurer that delivers, issues for delivery, or renews a health insurance policy in Michigan to provide coverage for all of the following:

- Ambulatory patient services.
- Emergency services.
- Hospitalization.
- Pregnancy, maternity, and newborn care.

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<sup>1</sup> While several bills propose to create the same MCL section, it is expected that substitutes to address this will be adopted as the bills move through the legislative process.

- Mental health and substance use disorder services, including behavioral health treatment.
- Prescription drugs.
- Rehabilitative and habilitative services and devices.
- Laboratory services.
- Preventive and wellness services and chronic disease management services as specified by an annual order of the director of the Department of Insurance and Financial Services. This coverage would include, but not be limited to, all of the following:
  - Evidence-based items or services that are *highly recommended* for preventive care and wellness purposes.
  - For women, additional preventive care and screening not described above that the director determines are supported by the Health Resources and Services Administration or a similar organization recognized by the director.
  - Immunizations that the director determines are recommended with respect to the individual involved after consideration of recommendations from the Advisory Committee on Immunization Practices of the federal Centers for Disease Control and Prevention or a similar organization recognized by the director.
  - For infants, children, and adolescents, evidence-informed preventive care and screenings that the director determines are supported by the Health Resources and Services Administration or a similar organization recognized by the director.
- Pediatric services, including oral and vision care.

*Highly recommended* would mean that the director of the Department of Insurance and Financial Services has determined that there is a high certainty that the net benefit of the item or service is substantial or moderate or that there is a moderate certainty that the net benefit is moderate to substantial after consideration of the recommendations issued by the United States Preventive Services Task Force or a similar organization recognized by the director.

The bill would also prohibit an insurer from imposing any cost-sharing requirements for any of the required evidence-based items or services that are highly recommended for preventive care and wellness purposes required by the director.

The benefits required as described above would be subject to all requirements applicable to those benefits under Chapter 34 (Disability Insurance Policies) of the act. The bill would not limit the requirements to provide additional benefits under that chapter.

The bill would also make complementary changes to the definition of *basic health services* as that term is used in Chapter 35 (Health Maintenance Organizations) of the act. Under the bill, the term would mean medically necessary health services that health maintenance organizations must offer to large employers in at least one health maintenance contract, including all of the following:

- Physician services including primary care and specialty care.
- Ambulatory patient services.
- Hospitalization services.
- Emergency health services.

- Mental health and substance use disorder services, including behavioral health treatment.
- Laboratory services.
- Home health services.
- Preventive, wellness, and chronic disease management health services.
- Pregnancy, maternity, and newborn care.
- Prescription drugs.
- Rehabilitative and habilitative services and devices.

MCL 500.3501 and proposed MCL 500.3406z<sup>1</sup>

## **BACKGROUND:**

It appears that some of the bills are intended to codify various provisions of federal Patient Protection and Affordable Care Act (ACA), including some provisions that have been challenged in federal court. Specifically, a March 2023 federal decision in *Brainwood Management Inc. v. Becerra* struck down ACA provision requiring health insurance to fully cover certain preventive care measures.<sup>2</sup>

## **FISCAL IMPACT:**

The bills would not have a fiscal impact on the state or local governments.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

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<sup>2</sup> <https://www.kff.org/womens-health-policy/issue-brief/explaining-litigation-challenging-the-acas-preventive-services-requirements-braidwood-management-inc-v-becerra/>