

# SENATE BILL NO. 921

June 13, 2024, Introduced by Senators WEBBER, DAMOOSE and HUIZENGA and referred to the Committee on Health Policy.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3478.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **Sec. 3478. (1) The mandated review commission is created**  
2 **within the legislative council.**

3           **(2) The commission consists of the following members:**

4           **(a) The director or the director's designee as a nonvoting**  
5 **member.**

1 (b) The director of the department of health and human  
2 services as a nonvoting member.

3 (c) One member of the legislature selected by the senate  
4 majority leader.

5 (d) One member of the legislature selected by the senate  
6 minority leader.

7 (e) One member of the legislature selected by the speaker of  
8 the house of representatives.

9 (f) One member of the legislature selected by the house of  
10 representatives minority leader.

11 (g) The following members appointed by the legislative  
12 council:

13 (i) One individual representing health maintenance  
14 organizations.

15 (ii) One individual representing health insurance companies.

16 (iii) One individual representing mutual insurance companies.

17 (iv) One individual representing hospitals.

18 (v) One individual representing doctors of medicine.

19 (vi) One individual representing doctors of osteopathic  
20 medicine and surgery.

21 (vii) One individual representing purchasers or employers with  
22 100 or more employees.

23 (viii) One individual representing purchasers or employers with  
24 fewer than 100 employees.

25 (ix) One individual representing pharmacists.

26 (3) A member of the commission shall serve for a term of 3  
27 years or until a successor is appointed.

28 (4) At the first meeting of the commission, a majority of the  
29 members shall elect from the commission members a chairperson and

1 other officers as the commission considers necessary or  
2 appropriate. After the first meeting, the commission shall meet at  
3 least quarterly, or more frequently at the call of the chairperson  
4 or if requested by a majority of the members.

5 (5) A majority of the members of the commission appointed and  
6 serving constitute a quorum for the transaction of business at a  
7 meeting of the commission.

8 (6) The business that the commission may perform must be  
9 conducted at a public meeting held in compliance with the open  
10 meetings act, 1976 PA 267, MCL 15.261 to 15.275. The commission  
11 shall give public notice of the time, date, and place of the  
12 meeting in the manner required by the open meetings act, 1976 PA  
13 267, MCL 15.261 to 15.275.

14 (7) The commission shall make available a writing prepared,  
15 owned, used, in the possession of, or retained by the commission in  
16 the performance of an official function as the commission to the  
17 public in compliance with the freedom of information act, 1976 PA  
18 442, MCL 15.231 to 15.246.

19 (8) Members of the commission shall serve without  
20 compensation. However, members of the commission may be reimbursed  
21 for their actual and necessary expenses incurred in the performance  
22 of their official duties as members of the commission.

23 (9) The commission shall review any bill introduced in either  
24 the house of representatives or the senate that would mandate that  
25 a health insurer provide a health insurance benefit. A review  
26 required under this section must include all of the following:

27 (a) The social impact of mandating the health benefit, which  
28 must include all of the following:

29 (i) The extent to which the proposed health insurance mandate

1 and the benefits or services it would provide are needed by,  
2 available to, and utilized by the people of this state.

3 (ii) The extent to which insurance coverage for the proposed  
4 health insurance mandate already exists or, if no coverage exists,  
5 the extent to which the lack of coverage results in inadequate  
6 health care or financial hardship for the affected people of this  
7 state.

8 (iii) Relevant findings bearing on the social impact of the lack  
9 of the proposed health insurance mandate.

10 (iv) The extent to which the benefits or services reduce  
11 premature death and the economic loss associated with disease.

12 (v) Other information with respect to the social impact as the  
13 commission considers appropriate.

14 (b) The financial impact of mandating the health insurance  
15 benefit, which must include all of the following:

16 (i) The extent to which the proposed health insurance mandate  
17 would increase or decrease the cost for treatment or service.

18 (ii) The extent to which similar mandated health benefits in  
19 other states have affected charges, costs, and payments for  
20 services.

21 (iii) The extent to which the proposed mandated health insurance  
22 benefit would increase the appropriate use of the treatment or  
23 service or will be a substitute for, or affect the cost of,  
24 alternative benefits or services.

25 (iv) The impact of the proposed health insurance mandate on  
26 total costs to carriers and on administrative costs.

27 (v) The impact of the proposed health insurance mandate on  
28 total costs to purchasers and benefit costs.

29 (vi) The impact of the proposed health insurance mandate on the

1 total cost of care within this state.

2 (vii) Other information with respect to the financial impact as  
3 the commission considers appropriate.

4 (c) The medical efficacy of mandating the health insurance  
5 benefit, which must include all of the following:

6 (i) If the proposed health insurance mandate provides coverage  
7 of a particular treatment or therapy, the recommendation of a  
8 clinical study or review article in a major peer-reviewed  
9 professional journal as effective in screening, diagnosis, or  
10 treatment of a condition or disease.

11 (ii) Whether the proposed mandated benefit is generally  
12 available and utilized by treating physicians.

13 (iii) How the proposed mandate could impact the quality of care.

14 (iv) If the proposed health insurance mandate provides coverage  
15 of services provided by an additional class of practitioners, the  
16 results of at least 2 professionally accepted, controlled trials  
17 comparing the medical results achieved by the additional class of  
18 practitioners and the practitioners already covered by benefits.

19 (v) The results of other research.

20 (vi) The impact of the proposed health insurance mandate on the  
21 general availability of health benefits coverage in this state.

22 (vii) Other information with respect to the medical efficacy as  
23 the commission considers appropriate.

24 (d) The effects of balancing the social, economic, and medical  
25 efficacy considerations, which must include, but not be limited to,  
26 both of the following:

27 (i) The extent to which the need for coverage outweighs the  
28 costs of mandating the health insurance benefit.

29 (ii) The extent to which the problem of coverage may be solved

1 by mandating the availability of the coverage as an option under a  
2 health insurance plan.

3 (e) An analysis of information collected from various sources,  
4 including, but not limited to, all of the following:

5 (i) A state data collection system.

6 (ii) The department.

7 (iii) The department of health and human services.

8 (iv) Health planning organizations.

9 (v) Proponents and opponents of the proposed health insurance  
10 mandate, who must be encouraged to provide appropriate  
11 documentation supporting their positions. The commission shall  
12 examine the documentation described in this subparagraph to  
13 determine whether:

14 (A) The documentation is complete.

15 (B) The assumptions on which the research is based are valid.

16 (C) The research cited in the documentation meets professional  
17 standards.

18 (D) All relevant research respecting the proposed benefit has  
19 been cited in the documentation.

20 (E) The conclusions and interpretations in the documentation  
21 are consistent with the data submitted.

22 (vi) Other data sources as the commission considers  
23 appropriate.

24 (10) The commission shall complete its review of a bill under  
25 subsection (9) not later than 90 days after the date the review is  
26 requested and provide its comments and recommendations in writing  
27 to the prime sponsor and committee chair of the committee in which  
28 the bill is pending. The commission may request an extension before  
29 the ninetieth day, in which case the committee chair may grant an

1 extension of up to 45 days for the commission to complete its  
2 review.

3 (11) If a bill contains a health insurance mandate affecting  
4 an insurance policy, the director must submit to the chair of the  
5 legislative committee considering the bill a report of the  
6 commission on the social and financial impacts and the medical  
7 efficacy of the bill requirements.

8 (12) If the chair of the committee considering a bill  
9 determines that the bill is of such an urgent nature that it would  
10 seriously impair the public health to wait for the commission to  
11 issue its comments and recommendations under subsection (12), the  
12 chair shall so notify the commission and the speaker of the house  
13 of representatives for a bill pending in the house of  
14 representatives or the senate majority leader for a bill pending in  
15 the senate of that determination and, with the agreement of the  
16 speaker of the house of representatives or senate majority leader,  
17 as applicable, may consider and vote on the bill as soon as  
18 practicable.

19 (13) In the course of studying and evaluating proposed  
20 mandated health benefits, the commission shall do both of the  
21 following:

22 (a) Develop criteria for a system and program of data  
23 collection, for use by the department and the department of health  
24 and human services, to assess the impact of mandated health  
25 benefits, including the cost to employers and health insurers,  
26 impact of treatment, cost savings in the health care system, number  
27 of providers, and other data as may be appropriate.

28 (b) Review and comment to any state department, board, bureau,  
29 commission, or agency with respect to any order or rule proposed or

1 implemented by the state department, board, bureau, commission, or  
2 agency that affect mandated health benefits.

3 (14) The commission may contract with actuaries or other  
4 experts within Michigan's higher education institutions such as the  
5 University of Michigan School of Public Health, Wayne State  
6 University School of Medicine, Michigan State University College of  
7 Human Medicine, Oakland University William Beaumont School of  
8 Medicine, Western Michigan University Homer Stryker M.D. School of  
9 Medicine, or Central Michigan University College of Medicine.

10 (15) Not later than 2 years after the effective date of the  
11 amendatory act that added this section, the commission shall  
12 conduct an evaluation of existing health insurance mandates under  
13 the law of this state and make recommendations to the chairs of the  
14 insurance committees of the house of representatives and senate  
15 regarding decision-making criteria for reducing the number of  
16 mandates or the extent of coverage. The evaluation required under  
17 this subsection must include all of the following:

18 (a) An assessment of the full cost of each existing health  
19 insurance mandate as a percentage of this state's average annual  
20 wage and of premiums under both of the following:

21 (i) A typical group and individual health benefit plan in this  
22 state.

23 (ii) The state employee health benefit plan.

24 (b) An assessment of the degree to which existing health  
25 insurance mandates are covered in self-funded plans.

26 (c) The extent to which the same or similar mandates have  
27 affected charges, costs, utilization, and payments in other states  
28 with health and population characteristics similar to this state.

29 The comparison under this subdivision must include all of the



1 following:

2 (i) The number of mandated health insurance services.

3 (ii) The type of mandated health insurance services.

4 (iii) The level and extent of coverage for each mandated health  
5 insurance service.

6 (iv) The financial impact of differences in levels of coverage  
7 for each mandated health insurance service.

8 (16) The legislature may consider the information provided  
9 under subsection (15) in determining whether to do any of the  
10 following:

11 (a) Enact proposed health insurance mandates.

12 (b) Repeal existing health insurance mandates.

13 (17) Health insurers and health maintenance organizations must  
14 not be assessed for any costs of complying with this section.

15 (18) This section does not apply after 3 years after the  
16 effective date of the amendatory act that added this section.

17 (19) As used in this section:

18 (a) "Commission" means the mandated review commission created  
19 in subsection (1).

20 (b) "Health insurance mandate" includes a law that requires an  
21 insurance policy to do any of the following:

22 (i) Permit a person to obtain treatment or services from a  
23 particular type of health care provider.

24 (ii) Provide coverage for the treatment of a particular disease  
25 or condition.

26 (iii) Provide coverage of a particular type of health care  
27 treatment or service, including particular drugs, supplies, or  
28 equipment.

29 (iv) Provide a particular benefit design under the insurance

1 policy for the treatment of a particular disease, condition, or  
2 other health care need, for a particular type of health care  
3 treatment or service, or for the provision of equipment, supplies,  
4 or drugs used in connection with a health care treatment or  
5 service.