

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.