

Act No. 242
Public Acts of 2001
Approved by the Governor
January 7, 2002
Filed with the Secretary of State
January 8, 2002
EFFECTIVE DATE: January 8, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2001**

Introduced by Senators Goschka, Shugars, Hammerstrom, McManus and Johnson

ENROLLED SENATE BILL No. 661

AN ACT to amend 1980 PA 350, entitled "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to provide for the imposition of a regulatory fee; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," by amending section 402a (MCL 550.1402a), as amended by 1998 PA 426.

The People of the State of Michigan enact:

Sec. 402a. (1) A health care corporation shall provide a written form in plain English to subscribers upon enrollment that describes the terms and conditions of the corporation's certificate. The form shall provide a clear, complete, and accurate description of all of the following, as applicable:

- (a) The service area.
- (b) Covered benefits, including prescription drug coverage, with specifications regarding requirements for the use of generic drugs.
- (c) Emergency health coverages and benefits.
- (d) Out-of-area coverages and benefits.
- (e) An explanation of member financial responsibility for copayments, deductibles, and any other out-of-pocket expenses.
- (f) Provision for continuity of treatment if a provider's participation terminates during the course of a member's treatment by that provider.
- (g) The telephone number to call to receive information concerning member grievance procedures.
- (h) How the covered benefits apply in the evaluation and treatment of pain.
- (i) A summary listing of the information available pursuant to subsection (2).

(2) A health care corporation shall provide upon request to members for services offered pursuant to section 502a a clear, complete, and accurate description of any of the following information that has been requested:

(a) The current provider network in the certificate's service area, including names and locations of participating providers by specialty or type of practice, a statement of limitations of accessibility and referrals to specialists, and a disclosure of which providers will not accept new members.

(b) The professional credentials of participating health professionals, including, but not limited to, participating health professionals who are board certified in pain medicine and the evaluation and treatment of pain and have reported that certification to the health care corporation, including all of the following:

(i) Relevant professional degrees.

(ii) Date of certification by the applicable nationally recognized boards and other professional bodies.

(iii) The names of licensed facilities on the provider panel where the health professional presently has privileges for the treatment, illness, or procedure that is the subject of the request.

(c) The licensing verification telephone number for the Michigan department of consumer and industry services that can be accessed for information as to whether any disciplinary actions or open formal complaints have been taken or filed against a health care provider in the immediately preceding 3 years.

(d) Any prior authorization requirements and any limitations, restrictions, or exclusions, including, but not limited to, drug formulary limitations and restrictions by category of service, benefit, and provider, and, if applicable, by specific service, benefit, or type of drug.

(e) Indication of the financial relationships between the health care corporation and any closed provider panel including all of the following as applicable:

(i) Whether a fee-for-service arrangement exists, under which the provider is paid a specified amount for each covered service rendered to the participant.

(ii) Whether a capitation arrangement exists, under which a fixed amount is paid to the provider for all covered services that are or may be rendered to each covered individual or family.

(iii) Whether payments to providers are made based on standards relating to cost, quality, or patient satisfaction.

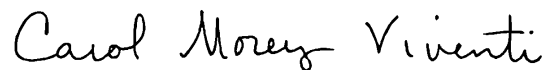
(f) A telephone number and address to obtain from the health care corporation additional information concerning the items described in subdivisions (a) to (e).

(3) Upon request, any of the information provided under subsection (2) shall be provided in writing. A health care corporation may require that a request under subsection (2) be submitted in writing.

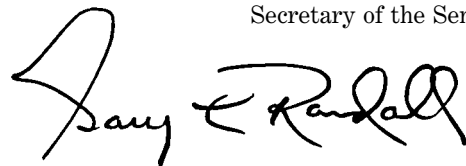
(4) As used in this section, "board certified" means certified to practice in a particular medical or other health profession specialty by the American board of medical specialties or other national health professional organization.

Enacting section 1. The 2001 amendatory act that added section 402a(4) to the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1402a, shall not be construed as creating a new mandated benefit for any coverages issued under the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved

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Governor.