

HOUSE BILL No. 4243

February 21, 1989, Introduced by Reps. Mathieu, DeMars, Runco, Allen, Johnson, Hoffman, Leland, Middaugh, Willis Bullard, Gubow, Alley, Gilmer, Weeks, Krause, Law, Sikkema, Stupak, Bandstra, Porreca, Martin, London, Nye, Rocca, Brown, Dutko, Crandall, Bennane, Giese, Dolan, Ouwinga and Gire and referred to the Committee on Insurance.

A bill to amend Act No. 350 of the Public Acts of 1980, entitled
"The nonprofit health care corporation reform act,"
as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, by adding sections 413d and 413e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 350 of the Public Acts of 1980, as
2 amended, being sections 550.1101 to 550.1704 of the Michigan
3 Compiled Laws, is amended by adding sections 413d and 413e to
4 read as follows:

5 SEC. 413D. A CORPORATION SHALL NOT ISSUE A MEDICARE SUPPLE-
6 MENTAL CERTIFICATE TO A PERSON WHO IS NOT ELIGIBLE FOR MEDICARE.
7 BEFORE OFFERING A MEDICARE SUPPLEMENTAL CERTIFICATE TO A PERSON,
8 THE CORPORATION SHALL VERIFY THAT THE COVERED PERSON IS ELIGIBLE
9 FOR MEDICARE. HOWEVER, AN APPLICATION FOR MEDICARE SUPPLEMENTAL

1 COVERAGE MAY BE TAKEN PRIOR TO DETERMINING ELIGIBILITY FOR
2 MEDICARE. IF A PERSON IS NOT ELIGIBLE FOR MEDICARE, A CORPORA-
3 TION SHALL REFUND ALL PREMIUMS RECEIVED FROM THE PERSON FOR MEDI-
4 CARE SUPPLEMENTAL COVERAGE ISSUED TO THE PERSON.

5 SEC. 413E. BEFORE OFFERING AN INDIVIDUAL CERTIFICATE TO AN
6 APPLICANT, A CORPORATION, OR A HEALTH BENEFIT AGENT ON BEHALF OF
7 THE CORPORATION, SHALL DETERMINE IF THE APPLICANT IS CURRENTLY
8 INSURED UNDER A GROUP INSURANCE POLICY OR IS A SUBSCRIBER UNDER A
9 GROUP CERTIFICATE THAT PROVIDES SUBSTANTIALLY THE SAME BENEFITS
10 AS THE INDIVIDUAL CERTIFICATE AND SHALL NOTIFY THE APPLICANT HOW
11 THE INDIVIDUAL CERTIFICATE BEING OFFERED BY THE CORPORATION WOULD
12 DUPLICATE OR COORDINATE WITH THE EXISTING GROUP COVERAGE. THE
13 RECEIPT OF NOTIFICATION REQUIRED UNDER THIS SECTION SHALL BE
14 ACKNOWLEDGED BY THE SIGNATURES OF THE APPLICANT AND THE HEALTH
15 BENEFIT AGENT.