

HOUSE BILL No. 5850

June 5, 1990, Introduced by Rep. Bennane and referred to the Committee on Public Health.

A bill to amend Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," as amended, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, by adding section 21053a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 368 of the Public Acts of 1978, as
2 amended, being sections 333.1101 to 333.25211 of the Michigan
3 Compiled Laws, is amended by adding section 21053a to read as
4 follows:

5 SEC. 21053A. (1) A HEALTH MAINTENANCE ORGANIZATION SHALL
6 NOT DENY PAYMENT, CONTINUED CARE, OR OTHER BENEFITS IN WHOLE OR
7 IN PART TO A SUBSCRIBER OR HEALTH PROFESSIONAL OR AFFILIATED
8 PROVIDER FOR COVERED BASIC HEALTH SERVICES RENDERED UNLESS A
9 REVIEW OF THE REQUEST FOR PAYMENT, CONTINUED CARE, OR OTHER

1 BENEFITS HAS BEEN CONDUCTED BY A STATE LICENSED AND PRACTICING
2 MEMBER OF THE SAME PROFESSION AS THE PROFESSIONAL OR PROVIDER
3 THAT RENDERED OR PRESCRIBED THE SERVICE. IF DENIAL OF PAYMENT,
4 CONTINUED CARE, OR OTHER BENEFITS IN WHOLE OR IN PART IS RECOM-
5 MENDED, A DETAILED EXPLANATION AS TO THE GROUNDS FOR THE DENIAL
6 SHALL BE SENT TO BOTH THE SUBSCRIBER AND THE HEALTH PROFESSIONAL
7 OR AFFILIATED PROVIDER WITHIN 30 DAYS OF THE REQUEST FOR PAYMENT,
8 CONTINUED CARE, OR OTHER BENEFITS. AS USED IN THIS SUBSECTION,
9 "PRACTICING" MEANS EARNING 75% OF ANNUAL INCOME FROM ACTIVE
10 PATIENT CARE IN THIS STATE.

11 (2) A HEALTH MAINTENANCE ORGANIZATION SHALL NOT COMPENSATE
12 ANY PERSON WHO REVIEWS FOR THE ORGANIZATION A REQUEST FOR PAY-
13 MENT, CONTINUED CARE, OR OTHER BENEFITS BASED UPON THE RESULT
14 RECOMMENDED BY THAT PERSON OR THE COST OF THE CLAIM.

15 (3) THIS SECTION SHALL NOT APPLY IF DENIAL OF PAYMENT, CON-
16 TINUED CARE, OR OTHER BENEFITS IS BASED UPON FAILURE TO PAY THE
17 CONTRACT RATE OR TO FOLLOW THE CONTRACT'S PROCEDURES FOR REQUEST-
18 ING PAYMENT, CONTINUED CARE, OR OTHER BENEFITS.