

HOUSE BILL No. 5851

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

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 section 503a.

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 section 503a to read as
4 follows:

5 SEC. 503A. (1) A HEALTH CARE CORPORATION SHALL NOT DENY
6 PAYMENT, CONTINUED CARE, OR OTHER BENEFITS IN WHOLE OR IN PART TO
7 A SUBSCRIBER OR PARTICIPATING OR NONPARTICIPATING HEALTH CARE
8 PROVIDER FOR COVERED HEALTH CARE SERVICES RENDERED UNLESS A
9 REVIEW OF THE REQUEST FOR REIMBURSEMENT, CONTINUED CARE, OR OTHER

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

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

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