

HOUSE BILL No. 5849

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

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 3415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 3415 to read as
4 follows:

5 SEC. 3415. (1) AN INSURER SHALL NOT DENY PAYMENT, CONTINUED
6 CARE, OR OTHER BENEFITS IN WHOLE OR IN PART TO AN INSURED OR
7 HEALTH CARE PROVIDER FOR COVERED SERVICES RENDERED UNDER A
8 HOSPITAL, MEDICAL, OR SURGICAL EXPENSE-INCURRED POLICY OR
9 CERTIFICATE UNLESS A REVIEW OF THE REQUEST FOR PAYMENT, CONTINUED

1 CARE, OR OTHER BENEFITS HAS BEEN CONDUCTED BY A STATE LICENSED
2 AND PRACTICING MEMBER OF THE SAME PROFESSION AS THE PROVIDER THAT
3 RENDERED OR PRESCRIBED THE SERVICE. IF DENIAL OF PAYMENT, CON-
4 TINUED 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 INSURED AND THE HEALTH CARE PROVIDER
7 WITHIN 30 DAYS OF THE REQUEST FOR PAYMENT, CONTINUED CARE, OR
8 OTHER BENEFITS. AS USED IN THIS SUBSECTION, "PRACTICING" MEANS
9 EARNING 75% OF ANNUAL INCOME FROM ACTIVE PATIENT CARE IN THIS
10 STATE.

11 (2) AN INSURER SHALL NOT COMPENSATE ANY PERSON WHO REVIEWS
12 FOR THE INSURER A REQUEST FOR PAYMENT, CONTINUED CARE, OR OTHER
13 BENEFITS BASED UPON THE RESULT RECOMMENDED BY THAT PERSON OR THE
14 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 POLICY OR CERTIFICATE PREMIUM OR TO FOLLOW THE POLICY'S OR
18 CERTIFICATE'S PROCEDURES FOR REQUESTING PAYMENT, CONTINUED CARE,
19 OR OTHER BENEFITS.