



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 631 (Substitute S-2 as reported)
Senate Bill 673 (as reported without amendment)
Sponsor: Senator Mike Shirkey (S.B. 631)
Senator Joe Hune (S.B. 673)
Committee: Insurance

CONTENT

Senate Bill 631 (S-2) would amend Public Act 125 of 1963, which provides for the incorporation, supervision, and regulation of nonprofit dental care corporations, to do the following:

- Modify the composition of a board of directors of a dental care corporation to allow the Michigan Dental Association or its successor to submit to a corporation a list of recommended board candidates.
- Require the minimum 40% of licensed dentists required on the board not to be active employees of the dental care corporation.
- Require a minimum portion of those licensed dentists to be members of the Michigan Dental Association at the time of appointment or reappointment to the board.
- Allow the Director of the Department of Insurance and Financial Services to hold a hearing if he or she believed that the composition of the board was not in compliance with the bill, and order compliance.
- Require, on the Michigan Dental Association's request, not more than annually, a dental care corporation to provide certain board information.

Senate Bill 673 would amend the Insurance Code to do the following:

- Remove an exclusion for nonprofit dental care corporations from certain insurer requirements regarding the timely payment of claims, the payment of interest, processing and payment procedures, and other related matters.
- Prohibit a nonprofit dental care corporation from requiring individuals to undergo genetic testing before issuing, renewing, or continuing a policy, or to disclose whether genetic testing had been conducted or genetic results or information, after December 31, 2017.
- Prohibit a nonprofit dental care corporation from requiring face-to-face contact between a health care professional and a patient for services provided through telemedicine, after December 31, 2017.

MCL 550.363 (S.B. 631)
500.2006 et al. (S.B. 673)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

Senate Bill 631 (S-2) would have a minimal, negative impact on the Department of Financial Services. The bill would add enforcement duties for the Director of the Department regarding the makeup of the boards of dental care corporations. The new duties would require the Director to hold hearings, issue notices of findings, and order the payment of civil fines for

dental care corporations that were not in compliance with bill's requirements for board makeup. The increased costs associated with these duties would be minimal and it is expected that the costs would be absorbed by the Department.

The bill would have no fiscal impact on local government.

Senate Bill 673 would have no fiscal impact on State or local government.

Date Completed: 12-5-17

Fiscal Analyst: Michael Siracuse