

SENATE BILL NO. 543

June 16, 2021, Introduced by Senators VANDERWALL and HERTEL and referred to the Committee on Health Policy and Human Services.

A bill to amend 1963 PA 125, entitled

"An act to provide for the incorporation, supervision, and regulation of nonprofit dental care corporations; to prescribe the functions of the commissioner of insurance as to such corporations; to provide for the imposition of a regulatory fee; and to prescribe penalties for violations of this act,"

by amending section 1 (MCL 550.351), as amended by 1990 PA 129.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) Three or more residents of this state may form a
2 nonprofit corporation under ~~the provisions of this act~~ for the
3 purpose of establishing, maintaining, and operating nonprofit

1 dental care plans by which professional licensed dental services
2 are provided at the expense of the corporation to ~~persons~~
3 **individuals** who become subscribers to the plans.

4 (2) ~~The A~~ dental care ~~plans~~ **plan** may be a fee for service
5 plan, administrative service contract, cost-plus arrangement, or a
6 capitation plan.

7 (3) ~~The A~~ corporation **formed under this act** may establish,
8 maintain, and operate dental care plans to furnish, deliver,
9 indemnify, or finance professional dental services in ~~other states,~~
10 **this state or outside this state** directly or through affiliate
11 corporations.

12 (4) **A corporation formed under this act that establishes,**
13 **maintains, and operates a dental care plan under subsection (3) may**
14 **also establish, maintain, and operate supplemental vision care**
15 **plans by which licensed professional vision care services are**
16 **provided at the expense of the corporation to individuals who**
17 **become subscribers to the supplemental vision care plans.**

18 (5) **A supplemental vision care plan under subsection (4) may**
19 **be a fee for service plan, administrative service contract, cost-**
20 **plus arrangement, or a capitation plan.**

21 (6) **Before a corporation formed under this act enters into or**
22 **solicits contracts to provide vision care services at the expense**
23 **of the corporation to individuals who become subscribers, the**
24 **corporation shall file a statement with the director that includes**
25 **both of the following:**

26 (a) **The supplemental vision care plan or plans on which it**
27 **proposes to provide vision care services.**

28 (b) **A copy of the contract or contracts to be issued to**
29 **subscribers of supplemental vision care plans.**

1 (7) The director shall examine a statement filed under
2 subsection (6), may conduct an investigation as the director
3 considers necessary, and may examine under oath any persons
4 interested in or connected with the corporation submitting the
5 statement. If the director determines that the solicitation of
6 contracts for vision care services would work a fraud upon the
7 persons solicited, the director may refuse to authorize the
8 corporation to solicit or enter into contracts for the provision of
9 vision care services.

10 (8) A corporation formed under this act that establishes,
11 maintains, and operates a supplemental vision care plan may do all
12 of the following:

13 (a) Provide supplemental vision care plans to individuals
14 outside this state who are eligible under contracts entered into
15 under section 19.

16 (b) Before entering into a contract with an applicant or group
17 of applicants for vision care services, require any 1 or more of
18 the following:

19 (i) A physical examination of the applicant and each of the
20 applicant's dependents and proof of their substantial freedom from
21 any disease or condition requiring immediate vision care services.

22 (ii) A reasonable waiting period after a contract is entered
23 into before the subscriber is entitled to vision care services.

24 (iii) Payment by or for the subscriber of the stated fee for
25 vision care services for the care of any illness, injury, or other
26 condition that requires vision care services.

27 (c) Enter into prudent purchaser agreements under the prudent
28 purchaser act, 1984 PA 233, MCL 550.51 to 550.63, with optometrists
29 or physicians authorized to provide vision care services, and with

1 rates charged by the corporation for coverage under a prudent
 2 purchaser agreement that are not unreasonably lower than what is
 3 necessary to meet the expenses of the corporation for providing the
 4 vision care services under the prudent purchaser agreement and that
 5 do not have an anticompetitive effect or result in predatory
 6 pricing in relation to prudent purchaser agreement coverages
 7 offered by other organizations.

8 (9) Vision care services provided by a corporation under this
 9 act must be in accordance with the accepted vision care services
 10 practices in the community in which the care is provided. A
 11 corporation shall furnish vision care services in this state using
 12 an optometrist or a physician as required by the laws of this
 13 state.

14 (10) A civil action based on or arising out of a provider-
 15 patient relationship may not be maintained against a corporation
 16 providing vision care services under this act.

17 (11) ~~(4)~~ Except as otherwise provided in this act, a
 18 corporation formed under this act is subject to the nonprofit
 19 corporation act, ~~Act No. 162 of the Public Acts of 1982, being~~
 20 ~~sections 450.2101 to 450.3192 of the Michigan Compiled Laws. 1982 PA~~
 21 162, MCL 450.2101 to 450.3192.

22 (12) As used in this section:

23 (a) "Director" means the director of the department of
 24 insurance and financial services.

25 (b) "Licensed professional vision care services" means vision
 26 care services provided by either of the following:

27 (i) An optometrist.

28 (ii) A physician.

29 (c) "Optometrist" means that term as defined in section 17401

1 of the public health code, 1978 PA 368, MCL 333.17401.

2 (d) "Physician" means either of the following:

3 (i) A physician licensed to engage in the practice of medicine
4 under part 170 of the public health code, 1978 PA 368, MCL
5 333.17001 to 333.17097.

6 (ii) A physician licensed to engage in the practice of
7 osteopathic medicine and surgery under part 175 of the public
8 health code, 1978 PA 368, MCL 333.17501 to 333.17556.

9 (e) "Supplemental vision care plan" means a supplemental
10 vision care plan established, maintained, and operated by a
11 corporation formed under this act under subsection (4).