

SUBSTITUTE FOR
SENATE BILL NO. 807

A bill to amend 1984 PA 233, entitled
"Prudent purchaser act,"
by amending section 2 (MCL 550.52).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Commissioner" means the commissioner of insurance.

3 (b) "Dental care corporation" means a dental care corporation
4 incorporated under ~~Act No. 125 of the Public Acts of 1963, being~~
5 ~~sections 550.351 to 550.373 of the Michigan Compiled Laws.1963 PA~~
6 **125, MCL 550.351 TO 550.373.**

7 (c) "Health care corporation" means a health care corporation
8 incorporated under the nonprofit health care corporation reform
9 act, ~~Act No. 350 of the Public Acts of 1980, being sections~~
10 ~~550.1101 to 550.1704 of the Michigan Compiled Laws.1980 PA 350, MCL~~

1 550.1101 TO 550.1704.

2 (d) "Health care provider" means a health facility or a person
 3 licensed, certified, or registered under ~~parts 61 to 65~~ **PART 62** or
 4 **PARTS** 161 to 182 of the public health code, ~~Act No. 368 of the~~
 5 ~~Public Acts of 1978, being sections 333.6101 to 333.6523 and~~
 6 ~~333.16101 to 333.18237 of the Michigan Compiled Laws. However,~~
 7 ~~health~~ **1978 PA 368, MCL 333.6230 TO 333.6251 AND 333.16101 TO**
 8 **333.18237, AND CHAPTER 2A OF THE MENTAL HEALTH CODE, 1974 PA 258,**
 9 **MCL 330.1260 TO 330.1287. HEALTH** care provider does not include a
 10 pharmacist or pharmacy engaged in the retail sale of drugs, until
 11 January 1, 1987.

12 (e) "Health facility" means:

13 (i) A facility or agency licensed or authorized under parts 201
 14 to 217 of the public health code, **1978 PA 368, MCL 333.20101 TO**
 15 **333.21799E**, or a licensed part thereof, ~~except a facility or agency~~
 16 ~~licensed under part 203 of the public health code.~~ **OF THAT FACILITY**
 17 **OR AGENCY. HEALTH FACILITY DOES NOT INCLUDE AN AMBULANCE OPERATION,**
 18 **AIRCRAFT TRANSPORT OPERATION, NONTRANSPORT PREHOSPITAL LIFE SUPPORT**
 19 **OPERATION, OR MEDICAL FIRST RESPONSE SERVICE.**

20 (ii) A mental hospital, psychiatric hospital, psychiatric unit,
 21 ~~or mental retardation~~ **OTHER** facility **DEFINED IN 42 USC 1396D(D)**
 22 operated by the department of ~~mental~~ **COMMUNITY** health or certified
 23 or licensed under ~~Act No. 258 of the Public Acts of 1974, being~~
 24 ~~sections 330.1001 to 330.2106 of the Michigan Compiled Laws.~~ **THE**
 25 **MENTAL HEALTH CODE, 1974 PA 258, MCL 330.1001 TO 330.2106.**

26 (iii) A facility providing outpatient physical therapy services,
 27 including speech pathology services.

(iv) A kidney disease treatment center, including a freestanding hemodialysis unit.

(v) An organized ambulatory health care facility.

(vi) A tertiary health care service facility.

(vii) A substance abuse treatment program licensed under ~~parts 61 to 65~~ **PART 62** of the public health code, ~~Act No. 368 of the Public Acts of 1978, being sections 333.6101 to 333.6523 of the Michigan Compiled Laws.~~ **1978 PA 368, MCL 333.6230 TO 333.6251, OR CHAPTER 2A OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL 330.1260 TO 330.1287.**

(viii) An outpatient psychiatric clinic.

(ix) A home health agency.

(f) "Health maintenance organization" means ~~a health maintenance organization licensed under article 17 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.20101 to 333.22181 of the Michigan Compiled Laws.~~ **THAT TERM AS DEFINED IN SECTION 3501 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3501.**

(g) "Hospital service corporation" means a hospital service corporation incorporated under ~~Act No. 109 of the Public Acts of 1939, being sections 550.501 to 550.517 of the Michigan Compiled Laws.~~ **FORMER 1939 PA 109.**

(h) "Insurer" means an insurer as defined in section 106 of the insurance code of 1956, ~~Act No. 218 of the Public Acts of 1956, being section 500.106 of the Michigan Compiled Laws.~~ **1956 PA 218, MCL 500.106.**

(i) "Medical care corporation" means a medical care

1 corporation incorporated under ~~Act No. 108 of the Public Acts of~~
2 ~~1939, being sections 550.301 to 550.316 of the Michigan Compiled~~
3 ~~Laws.~~ **FORMER 1939 PA 108.**

4 (j) "Organization" means an insurer, a dental care
5 corporation, hospital service corporation, medical care
6 corporation, health care corporation, or third party administrator.

7 (k) "Provider panel" means a panel of health care providers
8 providing health care services ~~pursuant to~~ **UNDER** a prudent
9 purchaser agreement.

10 (l) "Prudent purchaser agreement" means an agreement between an
11 organization and a health care provider ~~pursuant to~~ **UNDER** section
12 3.

13 (m) "Third party administrator" means an administrator
14 operating under a certificate of authority issued by the
15 commissioner pursuant to the third party administrator act.