

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

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**Senate Bill 384 (as reported without amendment)****Sponsor: Senator Dick Posthumus****Committee: Commerce and Technology****Date Completed: 9-30-87*****RATIONALE***

Reportedly, there is a growing underground market for stolen or lost health care cards, especially those that offer free or discounted prescription drugs. Fraudulent misuse of such membership cards by nonsubscribers and providers has increased steadily since 1980, resulting in increased costs of health care for all citizens of Michigan.

***CONTENT***

Senate Bill 384 would amend the Michigan Penal Code to include in the definition of "credit card" an instrument or device issued by an organization "for obtaining health care services or goods or reimbursement or payment for health care services or goods". Instruments or devices issued by the following organizations would be covered under the bill's expanded definition:

- A dental care corporation incorporated under Public Act 125 of 1963 (MCL 550.351-550.373).
- A health care corporation incorporated under the Nonprofit Health Care Corporation Reform Act (MCL 550.1101-550.1704).
- A health maintenance organization licensed under the Public Health Code (MCL 333.20101-333.22181).
- An insurer as defined in the Insurance Code (MCL 500.106).
- A third party administrator operating under a certificate of authority issued by the Insurance Commissioner pursuant to the Third Party Administrator Act (MCL 550.901-550.962).

MCL 750.157m

***FISCAL IMPACT***

The bill would have no fiscal impact on State or local government.

***ARGUMENTS******Supporting Argument***

By including health care membership cards in the definition of "credit card" the bill would provide for criminal prosecution of an individual who fraudulently used a membership card from a dental care corporation, health care corporation, health maintenance organization, insurance company, or third party administrator. Effective curtailment of such crimes would contribute to holding down health care costs in Michigan.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

S.B. 384 (9-30-87)