

# HOUSE BILL No. 4521

March 22, 1989, Introduced by Reps. Stabenow, Van Regenmorter, Gire, DeBeaussiaert, DeMars, Varga, Camp and Munsell and referred to the Committee on Economic Development and Energy.

A bill to amend section 21031 of Act No. 368 of the Public Acts of 1978, entitled as amended

"Public health code,"

as amended by Act No. 354 of the Public Acts of 1982, being section 333.21031 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 21031 of Act No. 368 of the Public Acts  
2 of 1978, as amended by Act No. 354 of the Public Acts of 1982,  
3 being section 333.21031 of the Michigan Compiled Laws, is amended  
4 to read as follows:

5       Sec. 21031. An application to the department for a license  
6 shall be verified by an officer or authorized representative of  
7 the applicant, and shall be on a form authorized and provided by  
8 the department. An application for the initial license shall  
9 include ALL OF THE FOLLOWING:

1 (a) A copy of the basic organizational document of the  
2 applicant, such as the articles of incorporation, articles of  
3 association, partnership agreement, trust agreement, or other  
4 applicable document, and amendments ~~thereto~~ TO THAT DOCUMENT.

5 (b) A copy of the bylaws, rules, or similar form of document  
6 regulating the conduct of the affairs of the applicant.

7 (c) A list of the names, addresses, and official positions  
8 of individuals responsible for the conduct of the health mainte-  
9 nance organization's affairs, including members of the board of  
10 directors, board of trustees, executive committee, or other gov-  
11 erning body, the officers in case of a corporation, and the part-  
12 ners or associates in case of a partnership or association. The  
13 list shall be accompanied by a disclosure statement fully dis-  
14 closing to the department the nature and extent of any contracts  
15 or arrangements between those individuals or their immediate fam-  
16 ilies, or any legal entity in which they or their immediate fami-  
17 lies have a financial interest exceeding 5% of the stock or  
18 assets of the entity, and the organization or a provider or other  
19 person concerning any financial relationship with the  
20 organization. The statement shall be signed by each individual  
21 listed. ~~and notarized.~~ The department shall be notified of a  
22 substantial change in the facts set forth in the statement not  
23 more than 30 days after the effective date of the change.

24 (d) A statement generally describing the health maintenance  
25 organization, its operations, the type and quantity of health  
26 professionals engaged to provide services, the location of  
27 facilities, and a description of services available at the

1 locations at which health maintenance services will be regularly  
2 available to enrollees.

3 (e) Forms of the health maintenance contracts which the  
4 applicant proposes to offer and the evidence of coverage issued  
5 to subscribers.

6 (f) Financial statements showing the applicant's assets,  
7 liabilities, and sources of financial support.

8 (g) A statement of projected enrollment levels, copies of  
9 solicitation materials, and a general description of the market-  
10 ing and enrollment techniques to be employed by the health main-  
11 tenance organization, including a plan for informing enrollees of  
12 the sources and methods of obtaining services and instructing  
13 them in their use.

14 (h) A statement describing with reasonable certainty the  
15 geographic area to be served by the organization.

16 (i) A statement describing the applicant's procedures for  
17 resolving enrollee complaints and conducting grievance procedures  
18 as required by this part.

19 (j) A description of procedures for monitoring the quality  
20 of health care provided to enrollees as required by this part.

21 (k) Other information reasonably required by the department  
22 and the insurance bureau for the proper administration of this  
23 article.