

HOUSE BILL No. 5644

March 28, 1990, Introduced by Reps. Middaugh, Bartnik, DeMars, Van Singel, Gnodtke, Alley, Sikkema, Wartner, Weeks, Rocca, Law, Dunaskiss, Stacey, Runco and Brown and referred to the Committee on Insurance.

A bill to amend sections 1, 11, 15, 18, and 19 of Act No. 125 of the Public Acts of 1963, 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; and to prescribe penalties for violations of this act,"

being sections 550.351, 550.361, 550.365, 550.368, and 550.369 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1, 11, 15, 18, and 19 of Act No. 125 of
2 the Public Acts of 1963, being sections 550.351, 550.361,
3 550.365, 550.368, and 550.369 of the Michigan Compiled Laws, are
4 amended to read as follows:

5 Sec. 1. (1) ~~Any number of persons, not less than 3, all of~~
6 ~~whom shall be~~ THREE OR MORE residents of this state may form a
7 nonprofit corporation ~~—~~ under ~~and in conformity with~~ the

1 provisions of this act ~~—~~ for the purpose of establishing,
2 maintaining and operating nonprofit dental care plans by which
3 professional LICENSED dental services are provided at the expense
4 of ~~such~~ THE corporation to persons who become subscribers to
5 ~~such~~ THE plans. ~~under contracts which entitle the subscribers~~
6 ~~to certain professional dental services by dentists licensed~~
7 ~~under Act No. 122 of the Public Acts of 1939, as amended, being~~
8 ~~sections 338.201 to 338.221 of the Compiled Laws of 1948.~~

9 ~~Sections 117 to 132 of Act No. 327 of the Public Acts of~~
10 ~~1931, as amended, being sections 450.117 to 450.132 of the~~
11 ~~Compiled Laws of 1948, are applicable to all corporations formed~~
12 ~~under this act, except as herein otherwise specifically~~
13 ~~provided.~~

14 (2) THE DENTAL CARE PLANS MAY BE A FEE FOR SERVICE PLAN,
15 THIRD PARTY ADMINISTRATOR, COST-PLUS ARRANGEMENT, OR A CAPITATION
16 PLAN.

17 (3) THE CORPORATION MAY ESTABLISH, MAINTAIN, AND OPERATE
18 DENTAL CARE PLANS TO FURNISH, DELIVER, INDEMNIFY, OR FINANCE PRO-
19 FESSIONAL DENTAL SERVICES IN OTHER STATES, DIRECTLY OR THROUGH
20 AFFILIATE CORPORATIONS.

21 (4) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, A CORPORATION
22 FORMED UNDER THIS ACT IS SUBJECT TO THE NONPROFIT CORPORATION
23 ACT, ACT NO. 162 OF THE PUBLIC ACTS OF 1982, BEING SECTIONS
24 450.2101 TO 450.3192 OF THE MICHIGAN COMPILED LAWS.

25 Sec. 11. A dental care corporation may provide dental serv-
26 ices to persons domiciled outside the state who are eligible
27 under contracts entered into under section 19. ~~If a subscriber~~

~~1 regularly domiciled within the state or his dependent entitled to
2 dental services, employs dental services within the meaning of
3 this act while absent from the state, the corporation to which he
4 is a subscriber, if satisfied as to the necessity of such serv-
5 ices and that the subscriber would have been entitled to such
6 services under similar circumstances in this state, may pay to
7 the dentist who renders the services such fees and charges as
8 would have been payable if services had been rendered in this
9 state. Operations of the corporation without the state are
10 subject at all times to the provisions of this act.~~

11 Sec. 15. A licensed dentist ~~in this state~~ is eligible to
12 render professional services to subscribers upon compliance with
13 uniform requirements prescribed by the dental care corporation.
14 At least ~~one fourth~~ 1/4 of the RESIDENT licensed dentists
15 ~~resident and~~ practicing in this state shall execute and main-
16 tain agreements with the corporation to render dental care to the
17 subscribers of the corporation in order for the corporation to
18 qualify and continue operating under this act.

19 Sec. 18. Dental care rendered ~~on behalf of~~ BY a dental
20 care corporation shall AT ALL TIMES be in accordance with the
21 accepted dental practice in the community ~~at all times~~ IN WHICH
22 THE CARE WAS RENDERED. A corporation shall ~~not~~ furnish dental
23 care ~~otherwise than~~ ONLY through LICENSED dentists. ~~licensed~~
24 ~~and registered under Act No. 122 of the Public Acts of 1939, as~~
25 ~~amended, except as provided under section 10 hereof.~~

26 Sec. 19. A dental care corporation may receive ~~and accept~~
27 from governmental or private agencies, corporations,

1 associations, groups, or individuals, WITHIN OR OUTSIDE THE
2 STATE, payments covering all or part of the costs of subscrip-
3 tions to provide dental care for needy and other persons.
4 Contracts for dental care shall be between the corporation and
5 the person to receive ~~such~~ THE care.