

HOUSE BILL No. 5838

May 29, 1990, Introduced by Reps. Brown, Clack, Stallworth, Rocca, Bennett, Pitoniak and Bartnik and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 3107b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 3107b to read as
4 follows:

5 SEC. 3107B. (1) AS USED IN THIS SECTION:

6 (A) "HEALTH CARE FACILITY" MEANS ALL OF THE FOLLOWING:

7 (i) A FACILITY OR AGENCY LICENSED OR AUTHORIZED UNDER PARTS
8 201 TO 217 OF THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC

1 ACTS OF 1978, BEING SECTIONS 333.20101 TO 333.21799E OF THE
2 MICHIGAN COMPILED LAWS, OR A LICENSED PART THEREOF.

3 (ii) A MENTAL HOSPITAL, PSYCHIATRIC HOSPITAL, PSYCHIATRIC
4 UNIT, OR MENTAL RETARDATION FACILITY OPERATED BY THE DEPARTMENT
5 OF MENTAL HEALTH OR CERTIFIED OR LICENSED UNDER THE MENTAL HEALTH
6 CODE, ACT NO. 258 OF THE PUBLIC ACTS OF 1974, BEING SECTIONS
7 330.1001 TO 330.2106 OF THE MICHIGAN COMPILED LAWS.

8 (iii) A FACILITY PROVIDING OUTPATIENT PHYSICAL THERAPY SERV-
9 ICES, INCLUDING SPEECH PATHOLOGY SERVICES.

10 (iv) A KIDNEY DISEASE TREATMENT CENTER, INCLUDING A FREE-
11 STANDING HEMODIALYSIS UNIT.

12 (v) AN ORGANIZED AMBULATORY HEALTH CARE FACILITY.

13 (vi) A TERTIARY HEALTH CARE SERVICE FACILITY.

14 (vii) A SUBSTANCE ABUSE TREATMENT PROGRAM LICENSED UNDER
15 PARTS 61 TO 65 OF ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING
16 SECTIONS 333.6101 TO 333.6523 OF THE MICHIGAN COMPILED LAWS.

17 (viii) AN OUTPATIENT PSYCHIATRIC CLINIC.

18 (ix) A HOME HEALTH AGENCY.

19 (B) "HEALTH CARE PROVIDER" MEANS A PERSON LICENSED, CERTI-
20 FIED, OR REGISTERED UNDER PARTS 61 TO 65 OR 161 TO 182 OF ACT
21 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTIONS 333.6101 TO
22 333.6523 AND 333.16101 TO 333.18237 OF THE MICHIGAN COMPILED
23 LAWS.

24 (2) THERE IS CREATED WITHIN THE DEPARTMENT OF LICENSING AND
25 REGULATION A TASK FORCE TO ESTABLISH A PLAN BY JANUARY 1, 1991 TO
26 REDUCE AUTOMOBILE PERSONAL PROTECTION INSURANCE RATES BY NOT LESS
27 THAN 15% WITHOUT REDUCING PERSONAL PROTECTION INSURANCE

1 BENEFITS. THE TASK FORCE SHALL BE COMPOSED OF THE FOLLOWING 9
2 MEMBERS APPOINTED BY THE COMMISSIONER:

3 (A) THREE INSURERS TRANSACTING AUTOMOBILE INSURANCE IN THIS
4 STATE.

5 (B) THREE HEALTH CARE PROVIDERS.

6 (C) ONE HEALTH CARE FACILITY.

7 (D) TWO MEMBERS OF THE GENERAL PUBLIC.

8 (3) IF A PLAN IS NOT ADOPTED BY THE TASK FORCE BY JANUARY 1,
9 1991 AND IMPLEMENTED BY APRIL 1, 1991, BOTH OF THE FOLLOWING
10 SHALL OCCUR:

11 (A) BY MAY 1, 1991, EACH INSURER TRANSACTING AUTOMOBILE
12 INSURANCE IN THIS STATE SHALL FILE BASE RATES FOR AUTOMOBILE
13 INSURANCE THAT ARE REDUCED TO THE BASE RATES IN EFFECT IN THIS
14 STATE FOR THAT INSURER ON JUNE 1, 1990 FOR PERSONAL PROTECTION
15 COVERAGE PLUS AN ADDITIONAL REDUCTION OF NOT LESS THAN 20% OF THE
16 BASE RATE FOR PERSONAL PROTECTION COVERAGE IN EFFECT ON JUNE 1,
17 1990. ASSESSMENTS FOR THE MICHIGAN CATASTROPHIC CLAIMS ASSOCIA-
18 TION, AUTOMOBILE THEFT PREVENTION AUTHORITY, AND THE MICHIGAN
19 AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL NOT BE CONSIDERED
20 IN ACHIEVING THE REDUCTIONS REQUIRED BY THIS SECTION.

21 (B) UNTIL RULES ARE PROMULGATED UNDER SUBSECTION (4), ALLOW-
22 ABLE EXPENSES FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER
23 SECTION 3107 SHALL NOT EXCEED THE AMOUNT A HEALTH CARE FACILITY
24 OR HEALTH CARE PROVIDER IS PAID FOR TREATMENT, SERVICE, ACCOMMO-
25 DATION, AND MEDICINE PURSUANT TO SCHEDULES OF MAXIMUM FEES CON-
26 TAINED IN R 418.101 TO R 418.2324 OF THE MICHIGAN ADMINISTRATIVE
27 CODE.

1 (4) IF A PLAN IS NOT ADOPTED BY THE TASK FORCE BY JANUARY 1,
2 1991 AND IMPLEMENTED BY APRIL 1, 1991, THE COMMISSIONER SHALL
3 PROMULGATE RULES PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF
4 1969, ACT NO. 306 OF THE PUBLIC ACTS OF 1969, BEING
5 SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED LAWS, ESTAB-
6 LISHING SCHEDULES OF MAXIMUM FEES FOR ALLOWABLE EXPENSES FOR PER-
7 SONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107 THAT ARE
8 PAYABLE TO A HEALTH CARE FACILITY OR HEALTH CARE PROVIDER FOR
9 TREATMENT, SERVICE, ACCOMMODATION, AND MEDICINE. THE COMMIS-
10 SIONER SHALL SUBMIT THE PROPOSED RULES FOR PUBLIC HEARING PURSU-
11 ANT TO ACT NO. 306 OF THE PUBLIC ACTS OF 1969 BY JANUARY 1,
12 1992.

13 Section 2. This amendatory act shall not take effect unless
14 Senate Bill No. _____ or House Bill No. 5842 (request
15 no. 05839'90) of the 85th Legislature is enacted into law.