

Act No. 60
Public Acts of 1991
Approved by the Governor
June 27, 1991
Filed with the Secretary of State
June 27, 1991

**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1991**

Introduced by Reps. Hunter, Nye, Brown and Murphy

ENROLLED HOUSE BILL No. 4659

AN ACT to amend the title of Act No. 350 of the Public Acts of 1980, entitled "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws; and to add sections 435, 436, 437, 438, and 439.

The People of the State of Michigan enact:

Section 1. The title of Act No. 350 of the Public Acts of 1980, as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, is amended and sections 435, 436, 437, 438, and 439 are added to read as follows:

TITLE

An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those

rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts.

Sec. 435. As used in sections 436 to 439, "program" means the Michigan caring program created in section 436.

Sec. 436. There may be created within each health care corporation a Michigan caring program for children. The program shall provide primary health care coverage for children as set forth in section 438 and shall be administered by the health care corporation. Each program shall be described in a certificate that sets forth the benefits provided. A certificate and the contribution to be charged shall be subject to the commissioner's approval. Contribution requirements shall be established in accordance with rating methodologies approved by the commissioner which, over time, shall not result in either gain or loss to the corporation. The rating methodology for a program shall not include any factors otherwise includable pursuant to other sections of this act that are intended to provide for subsidies, surcharges, or administrative costs. Any other provisions of this act that would otherwise apply to a program but which are inconsistent with the provisions of this section and sections 437 to 439 are superseded.

Sec. 437. A child is eligible for enrollment in the program if the child meets all of the following:

- (a) Is less than 19 years of age.
- (b) Is unmarried.
- (c) Resides in a household with income 185% or less of the federal poverty level.
- (d) Is ineligible to receive health care through title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g, and 1396i to 1396s.
- (e) Is enrolled in the program with all other eligible siblings who have no other health care coverage available.
- (f) Is a resident of this state.
- (g) Has no other health care coverage available.

Sec. 438. (1) Notwithstanding any other provision of this act, a health care corporation may limit the benefits it will furnish to an eligible child enrolled in the program to the following primary health care benefits:

- (a) Doctor office visits for a sick child.
- (b) Medically necessary outpatient diagnostic tests.
- (c) Emergency medical and accident care in a doctor's office or hospital's emergency room.
- (d) Medically necessary outpatient surgery and anesthesia.
- (e) Preventive care, including, but not limited to, immunizations and well-child visits to a doctor's office.
- (f) Outpatient substance abuse care.

(2) With the commissioner's approval, a health care corporation may provide other health care benefits in addition to the primary health care benefits set forth in subsection (1).

Sec. 439. The program shall not charge any fee to an enrolled eligible child or the child's parents or legal guardians except that if prescription drug benefits are offered a co-pay not to exceed \$3.00 may be charged. The program shall be funded by private donations and private and public grants. The health care corporation may provide free of charge administrative services to the program as approved by its board of directors and subject to the commissioner's approval. A child shall be enrolled as follows:

- (a) Dependent on funding on a first-come, first-served basis unless a named child is part of a group of 10 or more children who are fully sponsored by private donations.
- (b) Without regard to health status.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.