

HOUSE BILL No. 5620

March 5, 1992, Introduced by Rep. Bennane and referred to the Committee on Insurance.

A bill to amend section 2 of Act No. 233 of the Public Acts of 1984, entitled
"Prudent purchaser act,"
being section 550.52 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 2 of Act No. 233 of the Public Acts of
2 1984, being section 550.52 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 2. As used in this act:

5 (a) "Commissioner" means the commissioner of insurance.

6 (b) "Dental care corporation" means a dental care corpora-
7 tion incorporated under Act No. 125 of the Public Acts of 1963,
8 being sections 550.351 to 550.373 of the Michigan Compiled Laws.

9 (c) "Health care corporation" means a health care
10 corporation incorporated under the nonprofit health care

1 corporation reform act, Act No. 350 of the Public Acts of 1980,
2 being sections 550.1101 to 550.1704 of the Michigan Compiled
3 Laws.

4 (d) "Health care provider" means a health facility or a
5 person licensed, certified, or registered under parts 61 to 65 or
6 161 to 182 of the public health code, Act No. 368 of the Public
7 Acts of 1978, being sections 333.6101 to 333.6523 and 333.16101
8 to 333.18237 of the Michigan Compiled Laws. ~~However, health~~
9 ~~care provider does not include a pharmacist or pharmacy engaged~~
10 ~~in the retail sale of drugs, until January 1, 1987.~~

11 (e) "Health facility" means:

12 (i) A facility or agency licensed or authorized under parts
13 201 to 217 of the public health code, ACT NO. 368 OF THE PUBLIC
14 ACTS OF 1978, BEING SECTIONS 333.20101 TO 333.21799E OF THE
15 MICHIGAN COMPILED LAWS, or a licensed part thereof, except a
16 facility or agency licensed under part 203 of the public health
17 code.

18 (ii) A mental hospital, psychiatric hospital, psychiatric
19 unit, or mental retardation facility operated by the department
20 of mental health or certified or licensed under THE MENTAL HEALTH
21 CODE, Act No. 258 of the Public Acts of 1974, being sections
22 330.1001 to 330.2106 of the Michigan Compiled Laws.

23 (iii) A facility providing outpatient physical therapy serv-
24 ices, including speech pathology services.

25 (iv) A kidney disease treatment center, including a free-
26 standing hemodialysis unit.

1 (v) An organized ambulatory health care facility.

2 (vi) A tertiary health care service facility.

3 (vii) A substance abuse treatment program licensed under
4 parts 61 to 65 of the public health code, Act No. 368 of the
5 Public Acts of 1978, being sections 333.6101 to 333.6523 of the
6 Michigan Compiled Laws.

7 (viii) An outpatient psychiatric clinic.

8 (ix) A home health agency.

9 (x) A MEDICAL, SURGICAL, PROSTHETIC, OR ORTHOTIC EQUIPMENT
10 SUPPLIER.

11 (f) "Health maintenance organization" means a health mainte-
12 nance organization licensed under article 17 of the public health
13 code, Act No. 368 of the Public Acts of 1978, being sections
14 333.20101 to ~~333.22101~~ 333.22260 of the Michigan Compiled
15 Laws.

16 ~~(g) "Hospital service corporation" means a hospital service~~
17 ~~corporation incorporated under Act No. 109 of the Public Acts of~~
18 ~~1939, being sections 550.501 to 550.517 of the Michigan Compiled~~
19 ~~Laws.~~

20 (G) ~~(h)~~ "Insurer" means an insurer as defined in section
21 106 of the insurance code of 1956, Act No. 218 of the Public Acts
22 of 1956, being section 500.106 of the Michigan Compiled Laws.

23 ~~(i) "Medical care corporation" means a medical care corpo-~~
24 ~~ration incorporated under Act No. 108 of the Public Acts of 1939,~~
25 ~~being sections 550.301 to 550.316 of the Michigan Compiled Laws.~~

26 (H) ~~(j)~~ "Organization" means an insurer, a dental care
27 corporation, ~~hospital service corporation, medical care~~

1 ~~corporation,~~ health care corporation, or third party
2 administrator.

3 (I) ~~(k)~~ "Provider panel" means a panel of health care pro-
4 viders providing health care services pursuant to a prudent pur-
5 chaser agreement.

6 (J) ~~(l)~~ "Prudent purchaser agreement" means an agreement
7 between an organization and a health care provider pursuant to
8 section 3.

9 (K) ~~(m)~~ "Third party administrator" means an administrator
10 operating under a certificate of authority issued by the commis-
11 sioner pursuant to the third party administrator act.