

# HOUSE BILL No. 6120

September 23, 1992, Introduced by Reps. Pitoniak, Dobronski, Brown, Yokich, Baad  
Gire, Anthony, Webb, Scott and Stallworth 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 sections 3406f and 3406g.

## 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 sections 3406f and 3406g to  
4 read as follows:

5 SEC. 3406F. A DISABILITY POLICY OR CERTIFICATE, INCLUDING  
6 TO THE EXTENT PERMITTED BY FEDERAL LAW A PLAN OF HEALTH COVERAGE  
7 UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, PUBLIC  
8 LAW 93-406, 88 STAT. 829, THAT COVERS AN INDIVIDUAL WHO IS A  
9 MICHIGAN RESIDENT AND PROVIDES DEPENDENT COVERAGE SHALL ALLOW A

1 COVERED INDIVIDUAL'S DEPENDENT CHILD TO BE COVERED UNDER THE  
2 POLICY OR CERTIFICATE REGARDLESS OF WHETHER THE DEPENDENT CHILD  
3 RESIDES OR DOES NOT RESIDE WITH THE COVERED INDIVIDUAL AND  
4 REGARDLESS OF WHETHER THE CHILD CAN BE CLAIMED AS AN EXEMPTION BY  
5 THE COVERED INDIVIDUAL UNDER SECTION 151 OF THE INTERNAL REVENUE  
6 CODE OF 1986, 26 U.S.C. 151. FOR THE PURPOSES OF THIS SECTION,  
7 THE AMOUNT OF SUPPORT PROVIDED BY THE COVERED INDIVIDUAL TO THE  
8 DEPENDENT CHILD, THE CHILD'S RESIDENCY, AND WHETHER THE CHILD CAN  
9 BE CLAIMED AS AN EXEMPTION BY THE COVERED INDIVIDUAL UNDER SEC-  
10 TION 151 OF THE INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 151  
11 SHALL NOT BE USED AS EXCLUDING OR LIMITING FACTORS FOR COVERAGE  
12 OR PAYMENT FOR ANY HEALTH CARE BENEFITS.

13 SEC. 3406G. (1) IF THE FRIEND OF THE COURT NOTIFIES THE  
14 PARENT'S INSURER OR PLAN OF HEALTH COVERAGE TO DEAL DIRECTLY WITH  
15 THE OTHER PARENT PURSUANT TO SECTION 26 OF THE SUPPORT AND VISI-  
16 TATION ENFORCEMENT ACT, ACT NO. 295 OF THE PUBLIC ACTS OF 1982,  
17 BEING SECTION 552.626 OF THE MICHIGAN COMPILED LAWS, OR IF THE  
18 INSURED NOTIFIES HIS OR HER INSURER OR PLAN OF HEALTH COVERAGE TO  
19 DEAL DIRECTLY WITH THE OTHER PARENT, ALL OF THE FOLLOWING APPLY:

20 (A) THE SIGNATURE OF EITHER PARENT IS VALID AND SUFFICIENT  
21 AUTHORIZATION TO THE INSURER OR PLAN OF HEALTH COVERAGE FOR THE  
22 PROCESSING OF CLAIMS FOR A CHILD.

23 (B) THE INSURER OR PLAN OF HEALTH COVERAGE SHALL RECOGNIZE  
24 THE RIGHT OF BOTH PARENTS TO RECEIVE ALL NOTICES FROM THE INSURER  
25 OR PLAN OF HEALTH COVERAGE REGARDING THE CHILD AND SHALL RECOG-  
26 NIZE THE RIGHT OF BOTH PARENTS TO COMMUNICATE AND INTERACT WITH

1 THE INSURER OR PLAN OF HEALTH COVERAGE CONCERNING THE CHILD'S  
2 BENEFITS.

3 (C) THE INSURER OR PLAN OF HEALTH COVERAGE SHALL PAY A CLAIM  
4 FOR A CHILD SUBMITTED BY EITHER PARENT AS FOLLOWS:

5 (i) TO THE HEALTH CARE PROVIDER WHO PROVIDED THE SERVICES.

6 (ii) TO THE HEALTH CARE PROVIDER WHO PROVIDED THE SERVICES  
7 JOINTLY WITH THE PARENT SUBMITTING THE CLAIM.

8 (iii) TO THE PARENT SUBMITTING THE CLAIM IF THERE IS WRITTEN  
9 EVIDENCE THAT THAT PARENT PREPAID THE HEALTH CARE PROVIDER WHO  
10 PROVIDED THE SERVICES.

11 (D) THE INSURER OR PLAN OF HEALTH COVERAGE SHALL PAY A MEDI-  
12 CAL SUBROGATION CLAIM TO THE PARTY WHO SUBMITTED THE CLAIM,  
13 UNLESS THE CLAIM INCLUDES A WRITTEN REQUEST THAT PAYMENT IS TO BE  
14 MADE OTHERWISE AND IN SUCH EVENT PAYMENT SHALL BE MADE IN THE  
15 MANNER REQUESTED. THIS SUBDIVISION SHALL NOT BE CONSTRUED TO  
16 LIMIT OR INTERFERE WITH MEDICAL SUBROGATION PLANS OR CLAIMS.

17 (2) IF THE FRIEND OF THE COURT NOTIFIES THE PARENT'S INSURER  
18 OR PLAN OF HEALTH COVERAGE TO ENROLL THE CHILD IN HEALTH CARE  
19 COVERAGE PURSUANT TO SECTION 26 OF ACT NO. 295 OF THE PUBLIC ACTS  
20 OF 1982, THE INSURER OR PLAN OF HEALTH COVERAGE, SUBJECT TO THE  
21 PAYMENT OF ANY NECESSARY PREMIUM, SHALL PROMPTLY ENROLL THE CHILD  
22 AND SHALL NOT WAIT UNTIL THE NEXT SPECIFIED ENROLLMENT PERIOD.  
23 NOT LATER THAN 15 DAYS AFTER RECEIPT OF THE FRIEND OF THE COURT  
24 NOTICE TO ENROLL THE CHILD, THE INSURER OR PLAN OF HEALTH COVER-  
25 AGE SHALL NOTIFY BOTH OF THE CHILD'S PARENTS AND THE FRIEND OF  
26 THE COURT AS TO WHETHER ANY NECESSARY PREMIUM HAS BEEN RECEIVED,  
27 THE STATUS OF THE CHILD'S ENROLLMENT IN THE HEALTH CARE COVERAGE,

1 AND THE ADDRESSES AND TELEPHONE NUMBERS WHERE FURTHER INFORMATION  
2 CAN BE OBTAINED AND INFORMATION CAN BE SUBMITTED.

3 (3) IF REQUESTED PURSUANT TO SECTION 18 OF THE FRIEND OF THE  
4 COURT ACT, ACT NO. 294 OF THE PUBLIC ACTS OF 1982, BEING SECTION  
5 552.518 OF THE MICHIGAN COMPILED LAWS, AN INSURER OR PLAN OF  
6 HEALTH COVERAGE SHALL PROVIDE INFORMATION ABOUT THE HEALTH CARE  
7 COVERAGE'S VARIOUS BENEFITS AND OPTIONS, ALONG WITH THEIR COSTS,  
8 AVAILABLE FOR THE CHILD TO THE FRIEND OF THE COURT.

9 (4) IF A SUPPORT ORDER REQUIRING A PARENT TO OBTAIN AND  
10 MAINTAIN HEALTH CARE COVERAGE FOR A CHILD UNDER SECTION 4A OF ACT  
11 NO. 295 OF THE PUBLIC ACTS OF 1982, BEING SECTION 552.504A OF THE  
12 MICHIGAN COMPILED LAWS, IS IN EFFECT, THE INSURER OR PLAN OF  
13 HEALTH COVERAGE SHALL NOTIFY IN WRITING BOTH PARENTS IF THE  
14 CHILD'S BENEFITS ARE SUBJECT TO ADVERSE ACTION, INCLUDING, BUT  
15 NOT LIMITED TO, TERMINATION OR REDUCTION IN COVERAGE OR BENEFITS  
16 OR AN INCREASE IN DEDUCTIBLES OR CO-PAYMENTS. THE NOTICE SHALL  
17 BE SENT NOT LATER THAN 30 DAYS BEFORE THE ADVERSE ACTION AND  
18 SHALL INCLUDE THE REASONS FOR THE ADVERSE ACTION AND ANY AVAIL-  
19 ABLE OPTIONS FOR CONVERSION OR EXTENSION OF BENEFITS.

20 (5) AS USED IN THIS SECTION, "PLAN OF HEALTH COVERAGE"  
21 INCLUDES TO THE EXTENT PERMITTED BY FEDERAL LAW A PLAN OF HEALTH  
22 COVERAGE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF  
23 1974, PUBLIC LAW 93-406, 88 STAT. 829.

24 Section 2. This amendatory act shall not take effect unless  
25 all of the following bills of the 86th Legislature are enacted  
26 into law:

1       (a) Senate Bill No. \_\_\_\_ or House Bill No. 6122 (request  
2 no. 06342'92).

3       (b) Senate Bill No. \_\_\_\_ or House Bill No. 6123 (request  
4 no. 06343'92).