

# HOUSE BILL No. 6121

September 23, 1992, Introduced by Reps. Brown, Pitoniak, Yokich, Stallworth, Dobronski, Anthony, Baade, Gire, Webb and Scott and referred to the Committee on Insurance.

A bill to amend Act No. 350 of the Public Acts of 1980, entitled as amended  
"The nonprofit health care corporation reform act,"  
as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, by adding sections 418 and 419.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Act No. 350 of the Public Acts of 1980, as  
2 amended, being sections 550.1101 to 550.1704 of the Michigan  
3 Compiled Laws, is amended by adding sections 418 and 419 to read  
4 as follows:

5       SEC. 418. A HEALTH CARE CORPORATION GROUP OR NONGROUP CER-  
6 TIFICATE THAT COVERS AN INDIVIDUAL WHO IS A MICHIGAN RESIDENT AND  
7 PROVIDES DEPENDENT COVERAGE SHALL ALLOW A SUBSCRIBER'S DEPENDENT  
8 CHILD TO BE COVERED UNDER THE CERTIFICATE REGARDLESS OF WHETHER  
9 THE DEPENDENT CHILD RESIDES OR DOES NOT RESIDE WITH THE

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

10 SEC. 419. (1) IF THE FRIEND OF THE COURT NOTIFIES THE  
11 PARENT'S HEALTH CARE CORPORATION TO DEAL DIRECTLY WITH THE OTHER  
12 PARENT PURSUANT TO SECTION 26 OF THE SUPPORT AND VISITATION  
13 ENFORCEMENT ACT, ACT NO. 295 OF THE PUBLIC ACTS OF 1982, BEING  
14 SECTION 552.626 OF THE MICHIGAN COMPILED LAWS, OR IF THE SUB-  
15 SCRIBER NOTIFIES HIS OR HER HEALTH CARE CORPORATION TO DEAL  
16 DIRECTLY WITH THE OTHER PARENT, ALL OF THE FOLLOWING APPLY:

17 (A) THE SIGNATURE OF EITHER PARENT IS VALID AND SUFFICIENT  
18 AUTHORIZATION TO THE HEALTH CARE CORPORATION FOR THE PROCESSING  
19 OF CLAIMS FOR A CHILD.

20 (B) THE HEALTH CARE CORPORATION SHALL RECOGNIZE THE RIGHT OF  
21 BOTH PARENTS TO RECEIVE ALL NOTICES FROM THE HEALTH CARE CORPORA-  
22 TION REGARDING THE CHILD AND SHALL RECOGNIZE THE RIGHT OF BOTH  
23 PARENTS TO COMMUNICATE AND INTERACT WITH THE HEALTH CARE CORPORA-  
24 TION CONCERNING THE CHILD'S BENEFITS.

25 (C) THE HEALTH CARE CORPORATION SHALL PAY A CLAIM FOR A  
26 CHILD TO THE PARENT SUBMITTING THE CLAIM IF THERE IS WRITTEN

1 EVIDENCE THAT THAT PARENT PREPAID THE HEALTH CARE PROVIDER WHO  
2 PROVIDED THE SERVICES.

3 (D) THE HEALTH CARE CORPORATION SHALL PAY A MEDICAL SUBROGA-  
4 TION CLAIM TO THE PARTY WHO SUBMITTED THE CLAIM, UNLESS THE CLAIM  
5 INCLUDES A WRITTEN REQUEST THAT PAYMENT IS TO BE MADE OTHERWISE  
6 AND IN SUCH EVENT PAYMENT SHALL BE MADE IN THE MANNER REQUESTED.  
7 THIS SUBDIVISION SHALL NOT BE CONSTRUED TO LIMIT OR INTERFERE  
8 WITH MEDICAL SUBROGATION PLANS OR CLAIMS.

9 (2) IF THE FRIEND OF THE COURT NOTIFIES THE PARENT'S HEALTH  
10 CARE CORPORATION TO ENROLL THE CHILD IN HEALTH CARE COVERAGE PUR-  
11 SUANT TO SECTION 26 OF ACT NO. 295 OF THE PUBLIC ACTS OF 1982,  
12 THE HEALTH CARE CORPORATION, SUBJECT TO THE PAYMENT OF ANY NECES-  
13 SARY PREMIUM, SHALL PROMPTLY ENROLL THE CHILD AND SHALL NOT WAIT  
14 UNTIL THE NEXT SPECIFIED ENROLLMENT PERIOD. NOT LATER THAN 15  
15 DAYS AFTER RECEIPT OF THE FRIEND OF THE COURT NOTICE TO ENROLL  
16 THE CHILD, THE HEALTH CARE CORPORATION SHALL NOTIFY BOTH OF THE  
17 CHILD'S PARENTS AND THE FRIEND OF THE COURT AS TO WHETHER ANY  
18 NECESSARY PREMIUM HAS BEEN RECEIVED, THE STATUS OF THE CHILD'S  
19 ENROLLMENT IN THE HEALTH CARE COVERAGE, AND THE ADDRESSES AND  
20 TELEPHONE NUMBERS WHERE FURTHER INFORMATION CAN BE OBTAINED AND  
21 INFORMATION CAN BE SUBMITTED.

22 (3) IF REQUESTED PURSUANT TO SECTION 18 OF THE FRIEND OF THE  
23 COURT ACT, ACT NO. 294 OF THE PUBLIC ACTS OF 1982, BEING SECTION  
24 552.518 OF THE MICHIGAN COMPILED LAWS, A HEALTH CARE CORPORATION  
25 SHALL PROVIDE INFORMATION ABOUT THE HEALTH CARE COVERAGE'S VARI-  
26 OUS BENEFITS AND OPTIONS, ALONG WITH THEIR COSTS, AVAILABLE FOR  
27 THE CHILD TO THE FRIEND OF THE COURT.

1           (4) IF A SUPPORT ORDER REQUIRING A PARENT TO OBTAIN AND  
 2 MAINTAIN HEALTH CARE COVERAGE FOR A CHILD UNDER SECTION 4A OF ACT  
 3 NO. 295 OF THE PUBLIC ACTS OF 1982, BEING SECTION 552.504A OF THE  
 4 MICHIGAN COMPILED LAWS, IS IN EFFECT, THE HEALTH CARE CORPORATION  
 5 SHALL NOTIFY IN WRITING BOTH PARENTS IF THE CHILD'S BENEFITS ARE  
 6 SUBJECT TO ADVERSE ACTION, INCLUDING, BUT NOT LIMITED TO, TERMI-  
 7 NATION OR REDUCTION IN COVERAGE OR BENEFITS OR AN INCREASE IN  
 8 DEDUCTIBLES OR COPAYMENTS. THE NOTICE SHALL BE SENT NOT LATER  
 9 THAN 30 DAYS BEFORE THE ADVERSE ACTION AND SHALL INCLUDE THE REA-  
 10 SONS FOR THE ADVERSE ACTION AND ANY AVAILABLE OPTIONS FOR CONVER-  
 11 SION OR EXTENSION OF BENEFITS.

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

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

17           (b) Senate Bill No. \_\_\_\_ or House Bill No. <sup>6123</sup>\_\_\_\_ (request  
 18 no. 06343'92).