



# HOUSE BILL No. 5771

September 14 1994, Introduced by Reps Hill, Rhead, Jamian, Fitzgerald, Whyman, Gustafson Brackenridge McNutt Gernaat, Llewellyn, Stille and Hammerstrom and referred to the Committee on Insurance

A bill to amend section 405 of Act No 350 of the Public Acts of 1980, entitled as amended

'The nonprofit health care corporation reform act,'  
being section 550 1405 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 405 of Act No 350 of the Public Acts of  
2 1980 being section 550 1405 of the Michigan Compiled Laws is  
3 amended to read as follows

4 Sec 405 (1) ~~A health care corporation, in consultation~~  
5 ~~with the department of social services, shall develop a single~~  
6 ~~billing form to be used for the billing of each of the~~  
7 ~~following hospital services, physician services, and pharmaceu-~~  
8 ~~tical services If such forms are subsequently developed by the~~  
9 ~~federal government, they may be used in the place of forms~~  
10 ~~developed pursuant to this subsection~~ EACH HEALTH CARE

1 CORPORATION SHALL REQUIRE THAT ONLY THE STANDARD MEDICAL CLAIM  
2 FORM ESTABLISHED IN SECTION 2240 OF THE INSURANCE CODE OF 1956  
3 ACT NO 218 OF THE PUBLIC ACTS OF 1956 BEING SECTION 500 2240 OF  
4 THE MICHIGAN COMPILED LAWS SHALL BE USED BEFORE A CLAIM IS  
5 PAID

6 (2) EACH HEALTH CARE CORPORATION SHALL REQUIRE PROVIDERS TO  
7 LIST ON THE STANDARD MEDICAL CLAIM FORM EACH PROCEDURE AND SERV-  
8 ICE PERFORMED PURSUANT TO THE CODE IDENTIFIED FOR THAT PROCEDURE  
9 OR SERVICE IN THE INTERNATIONAL CLASSIFICATION OF CLINICAL  
10 SERVICES BY THE COMMISSION ON PROFESSIONAL AND HOSPITAL  
11 ACTIVITIES

12 (3) ALL BILLING FOR CLAIMS FOR A HEALTH CARE CORPORATION  
13 SHALL BE DONE THROUGH REGIONAL CLAIMS CENTERS TO REDUCE ADMINIS-  
14 TRATIVE EXPENSES

15 (4) THE FIRST OF THE FOLLOWING ENTITIES TO RECEIVE A HEALTH  
16 CARE CLAIM IS RESPONSIBLE FOR COORDINATING THE REIMBURSEMENT FOR  
17 THAT CLAIM WITH ANY OTHER OF THE FOLLOWING ENTITIES THAT MAY BE  
18 RESPONSIBLE FOR THAT CLAIM

19 (A) AN INSURER

20 (B) A SELF-FUNDED HEALTH PLAN

21 (C) A HEALTH CARE CORPORATION

22 (D) A HEALTH MAINTENANCE ORGANIZATION

23 (E) THE MEDICAL SERVICES ADMINISTRATION OF THE DEPARTMENT OF  
24 SOCIAL SERVICES

25 (5) ~~-(2)-~~ A health care corporation shall provide each  
26 member with a detailed and accurate explanation of his or her  
27 total bill for services rendered by a health care provider and

1 provided under a certificate with a health care corporation  
2 including charges for specific types of services rendered the  
3 date of services rendered the amounts reimbursed by the corpora-  
4 tion and the reasons for denial of any payments for expenses  
5 incurred

6 (6) SUBSECTIONS (1) THROUGH (4) SHALL TAKE EFFECT OCTOBER 1  
7 1995

8 Section 2 This amendatory act shall not take effect unless  
9 Senate Bill No \_\_\_\_\_ or House Bill No 5770 (request  
10 no 04032 93) of the 87th Legislature is enacted into law