

SUBSTITUTE FOR
HOUSE BILL NO. 4686

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
by amending section 402a (MCL 550.1402a), as added by 1996 PA
516.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 402a. (1) By October 1, 1997, a health care corpora-
2 tion shall provide a written form in plain English to subscribers
3 upon enrollment that describes the terms and conditions of the
4 corporation's certificate. The form shall provide a clear, com-
5 plete, and accurate description of all of the following, as
6 applicable:
7 (a) The service area.
8 (b) Covered benefits, including prescription drug coverage,
9 with specifications regarding requirements for the use of generic
10 drugs.

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1 (c) Emergency health coverages and benefits.

2 (d) Out-of-area coverages and benefits.

3 (e) An explanation of member financial responsibility for
4 copayments, deductibles, and any other out-of-pocket expenses.

5 (f) Provision for continuity of treatment in the event a
6 provider's participation terminates during the course of a
7 member's treatment by that provider.

8 (g) The telephone number to call to receive information con-
9 cerning member grievance procedures.

10 (H) HOW THE COVERED BENEFITS APPLY IN THE EVALUATION AND
11 TREATMENT OF INTRACTABLE PAIN. AS USED IN THIS SUBDIVISION AND
12 IN SUBSECTION (2):

13 (i) "BOARD CERTIFIED" MEANS CERTIFIED TO PRACTICE IN A PAR-
14 TICULAR MEDICAL OR OTHER HEALTH PROFESSION SPECIALTY BY THE
15 AMERICAN BOARD OF MEDICAL SPECIALTIES OR OTHER NATIONAL HEALTH
16 PROFESSIONAL ORGANIZATION.

17 (ii) "INTRACTABLE PAIN" MEANS THAT TERM AS DEFINED IN SEC-
18 TION 16204A(7) OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL
19 333.16204A.

20 (I) ~~-(h)-~~ A summary listing of the information available
21 pursuant to subsection (2).

22 (2) By October 1, 1997, a health care corporation shall pro-
23 vide upon request to members for services offered pursuant to
24 section 502a a clear, complete, and accurate description of any
25 of the following information that has been requested:

26 (a) The current provider network in the certificate's
27 service area, including names and locations of participating

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1 providers by specialty or type of practice, a statement of
2 limitations of accessibility and referrals to specialists, and a
3 disclosure of which providers will not accept new members.

4 (b) The professional credentials of participating health
5 professionals, INCLUDING, BUT NOT LIMITED TO, PARTICIPATING
6 HEALTH PROFESSIONALS WHO ARE BOARD CERTIFIED IN PAIN MEDICINE AND
7 THE EVALUATION AND TREATMENT OF INTRACTABLE PAIN AND HAVE
8 REPORTED THAT CERTIFICATION TO THE HEALTH CARE CORPORATION,
9 including all of the following:

10 (i) Relevant professional degrees.

11 (ii) Date of certification by the applicable nationally rec-
12 ognized boards and other professional bodies.

13 (iii) The names of licensed facilities on the provider panel
14 where the health professional presently has privileges for the
15 treatment, illness, or procedure that is the subject of the
16 request.

17 (c) The licensing verification telephone number for the
18 Michigan department of consumer and industry services that can be
19 accessed for information as to whether any disciplinary actions
20 or open formal complaints have been taken or filed against a
21 health care provider in the immediately preceding 3 years.

22 (d) Any prior authorization requirements and any limita-
23 tions, restrictions, or exclusions, including, but not limited
24 to, drug formulary limitations and restrictions by category of
25 service, benefit, and provider, and, if applicable, by specific
26 service, benefit, or type of drug.

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1 (e) Indication of the financial relationships between the
2 health care corporation and any closed provider panel including
3 all of the following as applicable:

4 (i) Whether a fee-for-service arrangement exists, under
5 which the provider is paid a specified amount for each covered
6 service rendered to the participant.

7 (ii) Whether a capitation arrangement exists, under which a
8 fixed amount is paid to the provider for all covered services
9 that are or may be rendered to each covered individual or
10 family.

11 (iii) Whether payments to providers are made based on stan-
12 dards relating to cost, quality, or patient satisfaction.

13 (f) A telephone number and address to obtain from the health
14 care corporation additional information concerning the items
15 described in subdivisions (a) to (e).

16 (3) Upon request, any of the information provided under sub-
17 section (2) shall be provided in writing. A health care corpora-
18 tion may require that a request under subsection (2) be submitted
19 in writing.

20 Enacting section 1. This amendatory act takes effect
21 October 1, 1998.