

S.B. 812

A bill to amend 1980 PA 350, entitled  
"The nonprofit health care corporation reform act,"  
by amending section 502 (MCL 550.1502), as amended by 1994 PA  
440.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 502. (1) A health care corporation may enter into par-  
2       ticipating contracts for reimbursement with professional health  
3       care providers practicing legally in this state for health care  
4       services that the professional health care providers may legally  
5       perform. A participating contract may cover all members or may  
6       be a separate and individual contract on a per claim basis, as  
7       set forth in the provider class plan, if, in entering into a sep-  
8       arate and individual contract on a per claim basis, the  
9       participating provider certifies to the health care corporation:

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1 (a) That the provider will accept payment from the  
2 corporation as payment in full for services rendered for the  
3 specified claim for the member indicated.

4 (b) That the provider will accept payment from the corpora-  
5 tion as payment in full for all cases involving the procedure  
6 specified, for the duration of the calendar year. ~~Until January~~  
7 ~~1, 1998, as~~ AS used in this subdivision, provider does not  
8 include a person licensed as a dentist under part 166 of the  
9 public health code, ~~Act No. 368 of the Public Acts of 1978,~~  
10 ~~being sections 333.16601 to 333.16648 of the Michigan Compiled~~  
11 ~~Laws~~ 1978 PA 368, MCL 333.16601 TO 333.16648.

12 (c) That the provider will not determine whether to partici-  
13 pate on a claim on the basis of the race, color, creed, marital  
14 status, sex, national origin, residence, age, handicap, or lawful  
15 occupation of the member entitled to health care benefits.

16 (2) A contract entered into pursuant to subsection (1) shall  
17 provide that the private provider-patient relationship shall be  
18 maintained to the extent provided for by law. A health care cor-  
19 poration shall continue to offer a reimbursement arrangement to  
20 any class of providers with which it has contracted prior to  
21 August 27, 1985 and that continues to meet the standards set by  
22 the corporation for that class of providers.

23 (3) A health care corporation shall not restrict the methods  
24 of diagnosis or treatment of professional health care providers  
25 who treat members. Except as otherwise provided in section 502a,  
26 each member of the health care corporation shall at all times  
27 have a choice of professional health care providers. This

1 subsection does not apply to limitations in benefits contained in  
2 certificates, to the reimbursement provisions of a provider con-  
3 tract or reimbursement arrangement, or to standards set by the  
4 corporation for all contracting providers. A health care corpo-  
5 ration may refuse to reimburse a health care provider for health  
6 care services that are overutilized, including those services  
7 rendered, ordered, or prescribed to an extent that is greater  
8 than reasonably necessary.

9 (4) A health care corporation may provide to a member, upon  
10 request, a list of providers with whom the corporation contracts,  
11 for the purpose of assisting a member in obtaining a type of  
12 health care service. However, except as otherwise provided in  
13 section 502a, an employee, agent, or officer of the corporation,  
14 or an individual on the board of directors of the corporation,  
15 shall not make recommendations on behalf of the corporation with  
16 respect to the choice of a specific health care provider. Except  
17 as otherwise provided in section 502a, an employee, agent, or  
18 officer of the corporation, or a person on the board of directors  
19 of the corporation who influences or attempts to influence a  
20 person in the choice or selection of a specific professional  
21 health care provider on behalf of the corporation, is guilty of a  
22 misdemeanor.

23 (5) A health care corporation shall provide a symbol of par-  
24 ticipation, which can be publicly displayed, to providers who  
25 participate on all claims for covered health care services  
26 rendered to subscribers.

1 (6) This section does not impede the lawful operation of, or  
2 lawful promotion of, a health maintenance organization owned by a  
3 health care corporation.

4 (7) Contracts entered into under this section shall be  
5 subject to the provisions of sections 504 to 518.

6 (8) A health care corporation shall not deny participation  
7 to a freestanding medical or surgical outpatient facility on the  
8 basis of ownership if the facility meets the reasonable standards  
9 set by the health care corporation for similar facilities, is  
10 licensed under part 208 of the public health code, ~~Act No. 368~~  
11 ~~of the Public Acts of 1978, being sections 333.20801 to 333.20821~~  
12 ~~of the Michigan Compiled Laws~~ 1978 PA 368, MCL 333.20801 TO  
13 333.20821, and complies with part 222 of the public health code,  
14 ~~Act No. 368 of the Public Acts of 1978, as amended, being sec-~~  
15 ~~tions 333.22201 to 333.22260 of the Michigan Compiled Laws~~ 1978  
16 PA 368, MCL 333.22201 TO 333.22260.

17 (9) Notwithstanding any other provision of this act, if a  
18 certificate provides for benefits for services that are within  
19 the scope of practice of optometry, a health care corporation is  
20 not required to provide benefits or reimburse for a practice of  
21 optometric service unless that service was included in the defi-  
22 nition of practice of optometry under section 17401 of the public  
23 health code, ~~Act No. 368 of the Public Acts of 1978, being sec-~~  
24 ~~tion 333.17401 of the Michigan Compiled Laws~~ 1978 PA 368, MCL  
25 333.17401, as of May 20, 1992.

26 ~~(10) Notwithstanding any other provision of this act, if a~~  
27 ~~certificate provides for benefits for services that are within~~

~~1 the scope of practice of chiropractic, a health care corporation  
2 is not required to provide benefits or reimburse for the use of  
3 therapeutic sound or electricity, or both, for the reduction or  
4 correction of spinal subluxations in a chiropractic service.  
5 This subsection shall not take effect unless Senate Bill No. 493  
6 or House Bill No. 4494 of the 87th Legislature is enacted into  
7 law.~~