HOUSE BILL No. 6209

September 24, 1998, Introduced by Reps. Hammerstrom, Rocca, Godchaux, Perricone, Scranton, Birkholz, Crissman, Dalman, Bankes, Johnson, Cassis and Raczkowski and referred to the Committee on Insurance.

A bill to amend 1980 PA 350, entitled

"The nonprofit health care corporation reform act,"

(MCL 550.1101 to 550.1704) by adding sections 401f, 401g, and 402c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 401F. (1) A HEALTH CARE CORPORATION CERTIFICATE THAT REQUIRES A MEMBER TO DESIGNATE A PARTICIPATING PRIMARY CARE PROVIDER AND PROVIDES FOR DEPENDENT CARE COVERAGE SHALL PERMIT A DEPENDENT MINOR MEMBER TO ACCESS A PEDIATRICIAN FOR PEDIATRIC CARE SERVICES.

(2) A HEALTH CARE CORPORATION SHALL NOT REQUIRE PRIOR AUTHORIZATION OR REFERRAL FOR ACCESS UNDER SUBSECTION (1) TO A PEDIATRICIAN WHO PARTICIPATES WITH THE HEALTH CARE CORPORATION. A HEALTH CARE CORPORATION MAY REQUIRE PRIOR AUTHORIZATION OR REFERRAL FOR ACCESS TO A NONPARTICIPATING PEDIATRICIAN.

SEC. 401G. A HEALTH CARE CORPORATION THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS AND LIMITS THOSE BENEFITS TO DRUGS INCLUDED IN A FORMULARY SHALL DO ALL OF THE FOLLOWING:

(A) ENSURE PARTICIPATION OF PARTICIPATING PHYSICIANS AND PHARMACISTS IN THE DEVELOPMENT OF THE FORMULARY.

(B) DISCLOSE TO HEALTH CARE PROVIDERS AND UPON REQUEST TO MEMBERS THE NATURE OF THE FORMULARY RESTRICTIONS.

(C) PROVIDE FOR EXCEPTIONS FROM THE FORMULARY LIMITATION WHEN A NONFORMULARY ALTERNATIVE IS MEDICALLY INDICATED. THIS SUBDIVISION DOES NOT PREVENT A HEALTH CARE CORPORATION FROM ESTABLISHING HIGHER COST-SHARING FOR NONFORMULARY ALTERNATIVES.

SEC. 402C. (1) IF PARTICIPATION BETWEEN A HEALTH CARE CORPORATION AND A HEALTH CARE PROVIDER IS TERMINATED OR BENEFITS OR COVERAGE PROVIDED BY A HEALTH CARE PROVIDER IS TERMINATED BECAUSE OF A CHANGE IN THE TERMS OF PROVIDER PARTICIPATION IN A GROUP CERTIFICATE AND A COVERED MEMBER IS UNDERGOING A COURSE OF TREATMENT FROM THE PROVIDER AT THE TIME OF THE TERMINATION, THE HEALTH CARE CORPORATION SHALL DO BOTH OF THE FOLLOWING:

(A) NOTIFY THE MEMBER ON A TIMELY BASIS OF THE TERMINATION.

(B) WITH THE PROVIDER'S CONSENT, PERMIT THE MEMBER TO CONTINUE AN ONGOING COURSE OF TREATMENT WITH THE PROVIDER FOR A TRANSITIONAL PERIOD AS PROVIDED IN THIS SECTION.

(2) EXCEPT AS PROVIDED IN SUBSECTIONS (4) AND (5), COVERAGE UNDER THIS SECTION EXTENDS FOR A TRANSITIONAL PERIOD OF UP TO 90 DAYS FROM THE NOTICE DATE DESCRIBED IN SUBSECTION (1)(A).

(3) SUBJECT TO SUBSECTION (2), COVERAGE UNDER THIS SECTION FOR INSTITUTIONAL OR INPATIENT CARE FROM A TERMINATED PROVIDER

EXTENDS UNTIL THE DISCHARGE OR TERMINATION OF THE INSTITUTIONALIZATION PERIOD AND ALSO INCLUDES INSTITUTIONAL CARE PROVIDED WITHIN A REASONABLE TIME OF THE DATE OF THE TERMINATION OF THE PROVIDER STATUS IF EITHER OF THE FOLLOWING APPLIES:

(A) THE CARE WAS SCHEDULED BEFORE THE NOTICE DATE DESCRIBED IN SUBSECTION (1)(A).

(B) THE MEMBER WAS ON AN ESTABLISHED WAITING LIST OR OTHERWISE SCHEDULED TO HAVE THE CARE BEFORE THE NOTICE DATE DESCRIBED IN SUBSECTION (1)(A).

(4) IF A MEMBER HAS ENTERED THE SECOND OR THIRD TRIMESTER OF PREGNANCY AT THE TIME THAT HER PROVIDER WHO WAS TREATING THE PREGNANCY WAS TERMINATED, COVERAGE UNDER THIS SECTION EXTENDS THROUGH POSTPARTUM CARE DIRECTLY RELATED TO THE PREGNANCY.

(5) IF A MEMBER IS DETERMINED TO BE TERMINALLY ILL PRIOR TO A PROVIDER'S TERMINATION AND THE PROVIDER WAS TREATING THE TERMINAL ILLNESS BEFORE THE DATE OF TERMINATION, COVERAGE UNDER THIS SECTION EXTENDS FOR THE REMAINDER OF THE MEMBER'S LIFE FOR CARE DIRECTLY RELATED TO THE TREATMENT OF THE TERMINAL ILLNESS.

(6) SUBSECTIONS (2) THROUGH (5) APPLY ONLY IF THE HEALTH CARE PROVIDER AGREES TO ALL OF THE FOLLOWING:

(A) TO ACCEPT AS PAYMENT IN FULL REIMBURSEMENT FROM THE HEALTH CARE CORPORATION AND MEMBER AT RATES APPLICABLE PRIOR TO THE START OF THE TRANSITIONAL PERIOD.

(B) TO ADHERE TO THE HEALTH CARE CORPORATION'S STANDARDS FOR MAINTAINING QUALITY HEALTH CARE AND TO PROVIDE TO THE HEALTH CARE CORPORATION NECESSARY MEDICAL INFORMATION RELATED TO THE CARE.

(C) NOT TO IMPOSE COST-SHARING WITH THE MEMBER IN AN AMOUNT THAT WOULD EXCEED THE COST-SHARING THAT COULD HAVE BEEN IMPOSED IF THE PARTICIPATION HAD NOT BEEN TERMINATED.

(7) AS USED IN THIS SECTION:

(A) "TERMINAL ILLNESS" MEANS THAT TERM AS DEFINED IN SECTION 5653 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.5653.

(B) "TERMINATED" OR "TERMINATION" INCLUDES THE EXPIRATION OR NONRENEWAL OF A CONTRACT OR PARTICIPATION WITH A HEALTH CARE PROVIDER BY A HEALTH CARE CORPORATION, BUT DOES NOT INCLUDE A TERMINATION BY THE HEALTH CARE CORPORATION FOR FAILURE TO MEET APPLICABLE QUALITY STANDARDS OR FOR FRAUD.