

HOUSE BILL No. 6222

November 5, 1998, Introduced by Rep. Llewellyn and referred to the Committee on Insurance.

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 21042 (MCL 333.21042), as amended by 1982 PA 354.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21042. (1) A person, INCLUDING A PROVIDER SPONSORED
2 ORGANIZATION, proposing to operate a system of health care deliv-
3 ery and financing ~~which~~ THAT is to be offered to individuals,
4 whether or not as members of groups, in exchange for a fixed pay-
5 ment and organized so that providers and the organization are in
6 some part at risk for the cost of services in a manner similar to
7 a health maintenance organization, but fails to meet the require-
8 ments set forth in this part, may operate such a system if the
9 department and insurance bureau find that the proposed operation
10 will benefit persons who will be served by it. The operation

1 shall be licensed and regulated in the same manner as a health
2 maintenance organization under this part including the filing of
3 periodic reports, except to the extent that the department and
4 insurance bureau, with the advice of the advisory commission,
5 agree that the regulation is inappropriate to the system of
6 health care delivery and financing. A person operating a system
7 of health care delivery and financing pursuant to this section
8 shall not advertise or solicit or in any way identify itself in a
9 manner implying to the public that it is a health maintenance
10 organization licensed under this article.

11 (2) AS USED IN THIS SECTION, "PROVIDER SPONSORED
12 ORGANIZATION" OR "PSO" MEANS A CORPORATION THAT IS AT LEAST 80%
13 OWNED OR CONTROLLED BY 1 OR MORE HOSPITALS, 1 OR MORE PHYSICIANS,
14 OR ANY COMBINATION OF PHYSICIANS AND HOSPITALS, LICENSED UNDER
15 THIS ACT. OWNERSHIP OR CONTROL IS PRESUMED TO EXIST IF AT LEAST
16 80% OF THE VOTING RIGHTS OR GOVERNANCE RIGHTS OF THE PSO ARE
17 DIRECTLY OR INDIRECTLY OWNED, CONTROLLED, OR OTHERWISE HELD BY
18 ANY COMBINATION OF HOSPITALS OR PHYSICIANS.