

**SENATE BILL NO. 960**

March 3, 1998, Introduced by Senator SHUGARS and referred  
to the Committee on Health Policy and Senior Citizens.

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 1997 PA  
184, and by adding section 403c.

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

1        SEC. 403C. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT,  
2 A HEALTH CARE CORPORATION THAT ISSUES A CERTIFICATE FOR THE PRO-  
3 VISION OF MASTER MEDICAL BENEFITS SHALL REMIT PAYMENT OF ANY BEN-  
4 EFITS PROVIDED UNDER THE CERTIFICATE DIRECTLY TO THE PARTICIPAT-  
5 ING PROVIDER THAT PROVIDED THE SERVICE IF ALL OF THE FOLLOWING  
6 ARE MET:

7        (A) THE SERVICE IS RENDERED TO A MINOR CHILD.

8        (B) THE PARENTS OF THE MINOR CHILD ARE DIVORCED OR  
9 SEPARATED.

1 (C) THE PARENT THAT IS THE SUBSCRIBER DOES NOT HAVE PHYSICAL  
2 CUSTODY OF THE MINOR CHILD WHEN THE SERVICE IS RENDERED.

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

12 (a) That the provider will accept payment from the corpora-  
13 tion as payment in full for services rendered for the specified  
14 claim for the member indicated. THIS SUBDIVISION DOES NOT  
15 REQUIRE A PROVIDER TO ACCEPT PAYMENT FROM THE CORPORATION AS PAY-  
16 MENT IN FULL FOR, OR TO OTHERWISE PARTICIPATE ON A PER CLAIM  
17 BASIS WITH RESPECT TO, ANY OTHER CASES INVOLVING THE SPECIFIED  
18 PROCEDURE FOR THE SAME OR ANY OTHER MEMBER.

19 ~~-(b) That the provider will accept payment from the corpora-~~  
20 ~~tion as payment in full for all cases involving the procedure~~  
21 ~~specified, for the duration of the calendar year. As used in~~  
22 ~~this subdivision, provider does not include a person licensed as~~  
23 ~~a dentist under part 166 of the public health code, 1978 PA 368,~~  
24 ~~MCL 333.16601 to 333.16648.~~

25 (B) ~~-(c)~~ That the provider will not determine whether to  
26 participate on a claim on the basis of the race, color, creed,  
27 marital status, sex, national origin, residence, age, handicap,

1 or lawful occupation of the member entitled to health care  
2 benefits.

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

10 (3) A health care corporation shall not restrict the methods  
11 of diagnosis or treatment of professional health care providers  
12 who treat members. Except as otherwise provided in section 502a,  
13 each member of the health care corporation shall at all times  
14 have a choice of professional health care providers. This sub-  
15 section does not apply to limitations in benefits contained in  
16 certificates, to the reimbursement provisions of a provider con-  
17 tract or reimbursement arrangement, or to standards set by the  
18 corporation for all contracting providers. A health care corpo-  
19 ration may refuse to reimburse a health care provider for health  
20 care services that are overutilized, including those services  
21 rendered, ordered, or prescribed to an extent that is greater  
22 than reasonably necessary.

23 (4) A health care corporation may provide to a member, upon  
24 request, a list of providers with whom the corporation contracts,  
25 for the purpose of assisting a member in obtaining a type of  
26 health care service. However, except as otherwise provided in  
27 section 502a, an employee, agent, or officer of the corporation,

1 or an individual on the board of directors of the corporation,  
2 shall not make recommendations on behalf of the corporation with  
3 respect to the choice of a specific health care provider. Except  
4 as otherwise provided in section 502a, an employee, agent, or  
5 officer of the corporation, or a person on the board of directors  
6 of the corporation who influences or attempts to influence a  
7 person in the choice or selection of a specific professional  
8 health care provider on behalf of the corporation, is guilty of a  
9 misdemeanor.

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

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

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

19 (8) A health care corporation shall not deny participation  
20 to a freestanding medical or surgical outpatient facility on the  
21 basis of ownership if the facility ~~meets the reasonable stan-~~  
22 ~~dards set by the health care corporation for similar facilities,~~  
23 is licensed under part 208 of the public health code, 1978 PA  
24 368, MCL 333.20801 to 333.20821, and complies with part 222 of  
25 the public health code, 1978 PA 368, MCL 333.22201 to 333.22260.

26 (9) 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 optometry, a health care corporation is  
2 not required to provide benefits or reimburse for a practice of  
3 optometric service unless that service was included in the defi-  
4 nition of practice of optometry under section 17401 of the public  
5 health code, 1978 PA 368, MCL 333.17401, as of May 20, 1992.

6 (10) IN CONNECTION WITH THE VERIFICATION OF A PROVIDER'S  
7 PROFESSIONAL CREDENTIALS AND QUALIFICATIONS, A HEALTH CARE CORPO-  
8 RATION SHALL MAKE AVAILABLE TO A PROVIDER A COMMON CREDENTIALING  
9 FORM APPROVED FOR USE BY THE COMMISSIONER AND SHALL ACCEPT A COM-  
10 PLETED COMMON CREDENTIALING FORM APPROVED FOR USE BY THE  
11 COMMISSIONER. IN ADOPTING A COMMON CREDENTIALING FORM TO BE USED  
12 UNDER THIS SUBSECTION, THE COMMISSIONER SHALL EXAMINE THE COMMON  
13 CREDENTIALING FORM APPROVED FOR USE BY THE MICHIGAN ASSOCIATION  
14 OF HEALTH PLANS. A HEALTH CARE CORPORATION SHALL NOT REQUIRE A  
15 PROVIDER TO COMPLETE AND TO SUBMIT ANY FORM OTHER THAN THE COMMON  
16 CREDENTIALING FORM APPROVED BY THE COMMISSIONER. FOR PURPOSES OF  
17 THIS SUBSECTION, "PROVIDER" MEANS AN INDIVIDUAL WHO IS LICENSED,  
18 CERTIFIED, OR REGISTERED UNDER PARTS 161 TO 182 OF THE PUBLIC  
19 HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18237.