

Act No. 68
Public Acts of 1997
Approved by the Governor
July 15, 1997
Filed with the Secretary of State
July 15, 1997
EFFECTIVE DATE: July 15, 1997

**STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997**

Introduced by Senator Shugars

ENROLLED SENATE BILL No. 501

AN ACT to amend 1980 PA 350, entitled "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to provide for the imposition of a regulatory fee; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," (MCL 550.1101 to 550.1704) by adding section 501b.

The People of the State of Michigan enact:

Sec. 501b. A health care corporation shall not prohibit or discourage a health care provider from advocating on behalf of a subscriber for appropriate medical treatment options pursuant to the grievance procedure in section 404 or from discussing with a subscriber or provider any of the following:

- (a) Health care treatments and services.
- (b) Quality assurance plans required by law, if applicable.
- (c) The financial relationships between the health care corporation and the health care provider including all of the following as applicable:
 - (i) Whether a fee-for-service arrangement exists, under which the provider is paid a specified amount for each covered service rendered to the participant.
 - (ii) Whether a capitation arrangement exists, under which a fixed amount is paid to the provider for all covered services that are or may be rendered to each covered individual or family.
 - (iii) Whether payments to providers are made based on standards relating to cost, quality, or patient satisfaction.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Maya Bullard

Clerk of the House of Representatives.

Approved

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Governor.