

SUBSTITUTE FOR  
SENATE BILL NO. 696

A bill to amend 1980 PA 350, entitled  
"The nonprofit health care corporation reform act,"  
by amending section 403 (MCL 550.1403).

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

1       Sec. 403. ~~(1)~~ A health care corporation, on a timely  
2 basis, shall pay to a member or a participating provider benefits  
3 as are entitled and provided under the applicable certificate.  
4 ~~When not paid on a timely basis, benefits payable to a member~~  
5 ~~shall bear simple interest from a date 60 days after a satisfac=~~  
6 ~~tory claim form was received by the health care corporation, at a~~  
7 ~~rate of 12% interest per annum. The interest shall be paid in~~  
8 ~~addition to, and at the time of payment of, the claim. SECTION~~  
9 2006(7) TO (12) OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL  
10 500.2006, APPLIES TO A HEALTH CARE CORPORATION.

**SB 696, As Passed Senate, March 15, 2000**

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1       ~~(2) A health care corporation shall specify in writing the~~  
2 ~~materials which constitute a satisfactory claim form not later~~  
3 ~~than 30 days after receipt of a claim, unless the claim is set-~~  
4 ~~tled within 30 days. If a claim form is not supplied as to the~~  
5 ~~entire claim, the amount supported by the claim form shall be~~  
6 ~~considered to be paid on a timely basis if paid within 60 days~~  
7 ~~after receipt of the claim form by the corporation.~~

8       Enacting section 1. This amendatory act takes effect on  
9 January 1, 2001 and applies to all health care claims submitted  
10 for payment on and after January 1, 2001.

11       Enacting section 2. This amendatory act does not take  
12 effect unless Senate Bill No. 694 of the 90th Legislature is  
13 enacted into law.