

# HOUSE BILL No. 4485

April 15, 1999, Introduced by Reps. Caul, Howell, Ehardt, DeRossett, Birkholz, Woronchak, Richardville, Shackleton, Gilbert, Julian, Faunce, Bisbee, Kowall, Hager, Van Woerkom and Scranton and referred to the Committee on Health Policy.

A bill to amend 1980 PA 350, entitled  
"The nonprofit health care corporation reform act,"  
(MCL 550.1101 to 550.1704) by adding section 402c.

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

1        SEC. 402C. (1) IF PARTICIPATION BETWEEN A HEALTH CARE COR-  
2        PORATION AND A HEALTH CARE PROVIDER IS TERMINATED OR BENEFITS OR  
3        COVERAGE PROVIDED BY A HEALTH CARE PROVIDER IS TERMINATED BECAUSE  
4        OF A CHANGE IN THE TERMS OF PROVIDER PARTICIPATION IN A GROUP  
5        CERTIFICATE AND A COVERED MEMBER IS UNDERGOING A COURSE OF TREAT-  
6        MENT FROM THE PROVIDER AT THE TIME OF THE TERMINATION, THE HEALTH  
7        CARE CORPORATION SHALL DO BOTH OF THE FOLLOWING:  
8        (A) NOTIFY THE MEMBER ON A TIMELY BASIS OF THE TERMINATION.  
9        (B) WITH THE PROVIDER'S CONSENT, PERMIT THE MEMBER TO  
10       CONTINUE AN ONGOING COURSE OF TREATMENT WITH THE PROVIDER FOR A  
11       TRANSITIONAL PERIOD AS PROVIDED IN THIS SECTION.

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

4 (3) SUBJECT TO SUBSECTION (2), COVERAGE UNDER THIS SECTION  
5 FOR INSTITUTIONAL OR INPATIENT CARE FROM A TERMINATED PROVIDER  
6 EXTENDS UNTIL THE DISCHARGE OR TERMINATION OF THE INSTITUTIONAL-  
7 IZATION PERIOD AND ALSO INCLUDES INSTITUTIONAL CARE PROVIDED  
8 WITHIN A REASONABLE TIME OF THE DATE OF THE TERMINATION OF THE  
9 PROVIDER STATUS IF EITHER OF THE FOLLOWING APPLIES:

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

12 (B) THE MEMBER WAS ON AN ESTABLISHED WAITING LIST OR OTHER-  
13 WISE SCHEDULED TO HAVE THE CARE BEFORE THE NOTICE DATE DESCRIBED  
14 IN SUBSECTION (1)(A).

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

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

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

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

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

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

10 (7) AS USED IN THIS SECTION:

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

14 (B) "TERMINATED" OR "TERMINATION" INCLUDES THE EXPIRATION OR  
15 NONRENEWAL OF A CONTRACT OR PARTICIPATION WITH A HEALTH CARE PRO-  
16 VIDER BY A HEALTH CARE CORPORATION, BUT DOES NOT INCLUDE A TERMI-  
17 NATION BY THE HEALTH CARE CORPORATION FOR FAILURE TO MEET APPLI-  
18 CABLE QUALITY STANDARDS OR FOR FRAUD.