

**SENATE BILL NO. 510**

April 15, 1999, Introduced by Senator BYRUM and referred to the  
Committee on Health Policy.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 2212b.

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

1        SEC. 2212B. (1) THIS SECTION APPLIES TO A POLICY OR CERTIF-  
2 ICATE ISSUED UNDER SECTION 3405 OR 3631.  
3        (2) IF PARTICIPATION BETWEEN AN INSURER AND A HEALTH CARE  
4 PROVIDER IS TERMINATED OR BENEFITS OR COVERAGE PROVIDED BY A  
5 HEALTH CARE PROVIDER IS TERMINATED BECAUSE OF A CHANGE IN THE  
6 TERMS OF PROVIDER PARTICIPATION IN A GROUP CERTIFICATE AND A COV-  
7 ERED INSURED IS UNDERGOING A COVERED COURSE OF TREATMENT FROM THE  
8 PROVIDER AT THE TIME OF THE TERMINATION, THE INSURER SHALL DO  
9 BOTH OF THE FOLLOWING:  
10        (A) NOTIFY THE INSURED ON A TIMELY BASIS OF THE  
11 TERMINATION.

1 (B) WITH THE PROVIDER'S CONSENT, PERMIT THE INSURED TO  
2 CONTINUE AN ONGOING COURSE OF TREATMENT WITH THE PROVIDER FOR A  
3 TRANSITIONAL PERIOD AS PROVIDED IN THIS SECTION IF IT IS MEDI-  
4 CALLY NECESSARY FOR THE INSURED TO CONTINUE AN ONGOING COURSE OF  
5 TREATMENT WITH THE PROVIDER.

6 (3) EXCEPT AS PROVIDED IN SUBSECTIONS (4) AND (5), COVERAGE  
7 UNDER THIS SECTION EXTENDS FOR A TRANSITIONAL PERIOD OF UP TO 120  
8 DAYS FROM THE NOTICE DATE DESCRIBED IN SUBSECTION (2)(A).

9 (4) IF AN INSURED IS PREGNANT, MEDICAL NECESSITY IS CONSID-  
10 ERED DEMONSTRATED AND COVERAGE UNDER THIS SECTION EXTENDS THROUGH  
11 POSTPARTUM CARE DIRECTLY RELATED TO THE PREGNANCY.

12 (5) IF AN INSURED IS DETERMINED TO BE TERMINALLY ILL PRIOR  
13 TO A PROVIDER'S TERMINATION AND THE PROVIDER WAS TREATING THE  
14 TERMINAL ILLNESS BEFORE THE DATE OF TERMINATION, COVERAGE UNDER  
15 THIS SECTION EXTENDS FOR THE REMAINDER OF THE INSURED'S LIFE FOR  
16 CARE DIRECTLY RELATED TO THE TREATMENT OF THE TERMINAL ILLNESS.

17 (6) AS USED IN THIS SECTION:

18 (A) "TERMINAL ILLNESS" MEANS THAT TERM AS DEFINED IN  
19 SECTION 5653 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL  
20 333.5653.

21 (B) "TERMINATED" OR "TERMINATION" INCLUDES THE EXPIRATION OR  
22 NONRENEWAL OF A CONTRACT OR PARTICIPATION WITH A HEALTH CARE PRO-  
23 VIDER BY AN INSURER, BUT DOES NOT INCLUDE A TERMINATION BY THE  
24 INSURER FOR FAILURE TO MEET APPLICABLE QUALITY STANDARDS OR FOR  
25 FRAUD.