

Act No. 228
Public Acts of 1999
Approved by the Governor
December 28, 1999
Filed with the Secretary of State
December 28, 1999
EFFECTIVE DATE: July 1, 2000

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999**

**Introduced by Reps. Caul, Howell, Ehardt, DeRossett, Birkholz, Woronchak, Richardville, Shackleton,
Gilbert, Julian, Faunce, Bisbee, Kowall, Hager, Van Woerkom and Scranton**

ENROLLED HOUSE BILL No. 4485

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 402c.

The People of the State of Michigan enact:

Sec. 402c. (1) If participation between a primary care physician and a health care corporation terminates, the physician may provide written notice of this termination within 15 days after the physician becomes aware of the termination to each member who has chosen the physician as his or her primary care physician. If a member is in an ongoing course of treatment with any other physician who is participating with the health care corporation and the participation between the physician and the health care corporation terminates, the physician may provide written notice of this termination to the member within 15 days after the physician becomes aware of the termination. The notices under this subsection may also describe the procedure for continuing care under subsections (2) and (3).

(2) If participation between a member's current physician and a health care corporation terminates, the health care corporation shall permit the member to continue an ongoing course of treatment with that physician as follows:

(a) For 90 days from the date of notice to the member by the physician of the physician's termination with the health care corporation.

(b) If the member is in her second or third trimester of pregnancy at the time of the physician's termination, through postpartum care directly related to the pregnancy.

(c) If the member is determined to be terminally ill prior to a physician's termination or knowledge of the termination and the physician was treating the terminal illness before the date of termination or knowledge of the termination, for the remainder of the member's life for care directly related to the treatment of the terminal illness.

(3) Subsection (2) applies only if the physician agrees to all of the following:

(a) To participate on a per claim basis and to accept as payment in full reimbursement from the health care corporation at the rates applicable prior to the termination.

(b) To adhere to the health care corporation's standards for maintaining quality health care and to provide to the health care corporation necessary medical information related to the care.

(c) To otherwise adhere to the health care corporation's policies and procedures, including, but not limited to, those concerning utilization review, referrals, preauthorizations, and treatment plans.

(4) A health care corporation shall provide written notice to each participating physician that if participation between the physician and the health care corporation terminates, the physician may do both of the following:

(a) Notify the health care corporation's members under the care of the physician of the termination if the physician does so within 15 days after the physician becomes aware of the termination.

(b) Include in the notice under subdivision (a) a description of the procedures for continuing care under subsections (2) and (3).

(5) This section does not create an obligation for a health care corporation to provide to a member coverage beyond the maximum coverage limits permitted by the health care corporation's certificate with the member.

(6) As used in this section:

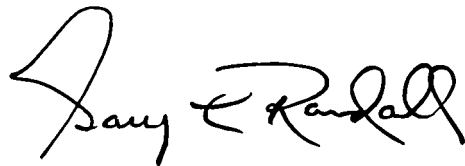
(a) "Physician" means an allopathic physician or osteopathic physician.

(b) "Terminal illness" means that term as defined in section 5653 of the public health code, 1978 PA 368, MCL 333.5653.

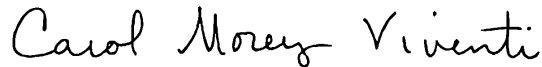
(c) "Terminates" or "termination" includes the nonrenewal, expiration, or ending for any reason of a participation agreement between a physician and a health care corporation, but does not include a termination by the health care corporation for failure to meet applicable quality standards or for fraud.

Enacting section 1. This amendatory act takes effect July 1, 2000.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.