

REPRINT
SUBSTITUTE FOR
SENATE BILL NO. 452

(As passed the Senate December 13, 2001)
(As amended by the House February 27, 2002)

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
by amending section 403 (MCL 500.1403).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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1 (2) A health care corporation shall specify in writing the
2 materials ~~which~~ THAT constitute a satisfactory claim form not
3 later than 30 days after receipt of a claim, unless the claim is
4 settled within 30 days. If a claim form is not supplied as to
5 the 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. THIS SUBSEC-
8 TION DOES NOT APPLY TO A HEALTH CARE CORPORATION WHEN PAYING A
9 CLAIM UNDER SECTION 2006(7) TO (14) OF THE INSURANCE CODE OF
10 1956, 1956 PA 218, MCL 500.2006.

11 Enacting section 1. This amendatory act takes effect on
12 October 1, 2002 and applies to all health care claims with dates
13 of service on and after October 1, 2002.

14 Enacting section 2. This amendatory act does not take
15 effect unless Senate Bill No. 451 of the 91st Legislature is
16 enacted into law.