

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1426

A bill to provide that certain entities contracting with state and local units of government are subject to the patient's right to independent review act.

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

1           Sec. 1. As used in this act, "local unit of government" means  
2 any political subdivision of this state, including, but not limited  
3 to, school districts, community and junior colleges, state  
4 universities, cities, villages, townships, charter townships,  
5 counties, charter counties, authorities created by the state, and  
6 authorities created by other local units of government.

7           Sec. 2. (1) An entity that contracts with a state or local  
8 unit of government to provide, deliver, arrange for, pay for, or  
9 reimburse any of the costs of health care services provided under a

1 self-funded plan established or maintained by that state or local  
2 unit of government for its employees shall do all of the following:

3 (a) Establish procedures and make available to persons covered  
4 by the plan internal reviews as though the entity were an insurer  
5 subject to section 2213 of the insurance code of 1956, 1956 PA 218,  
6 MCL 500.2213.

7 (b) Establish procedures and make available to persons covered  
8 by the plan external reviews in the same manner and subject to all  
9 the obligations, conditions, and consequences as though the entity  
10 were a health carrier under the patient's right to independent  
11 review act, 2000 PA 251, MCL 550.1901 to 550.1929.

12 (2) The commissioner of the office of financial and insurance  
13 services shall provide external reviews under subsection (1)(b) to  
14 a person covered by the plan as though that person were a covered  
15 person under the patient's right to independent review act, 2000 PA  
16 251, MCL 550.1901 to 550.1929.

17 Sec. 3. This act does not apply to a self-funded plan that  
18 provides coverage only for dental, vision care, or any other  
19 limited supplemental benefit.