

**SUBSTITUTE FOR  
SENATE BILL NO. 1426**

(As amended, September 20, 2006)

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 townships, counties, charter counties, authorities created by the  
5 state, and authorities created by other local units of government.

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

1 unit of government for its employees shall do all of the following:

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

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

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