

# HOUSE BILL No. 6231

June 1, 2010, Introduced by Reps. Constan, Miller, Bettie Scott, Switalski, Geiss, Kandrevas, Scripps, Liss, Walsh and Young and referred to the Committee on Government Operations.

A bill to amend 2006 PA 593, entitled

"An act to provide for the sharing of certain health care coverage information; to provide for the powers and duties of certain departments and agencies; and to provide penalties and fines,"

by amending sections 1, 3, and 7 (MCL 550.281, 550.283, and 550.287) and by adding section 6.

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

1           Sec. 1. As used in this act:

2           **(A) "CHILD SUPPORT ORDER" MEANS A COURT ORDER THAT REQUIRES A**  
3 **NAMED INDIVIDUAL TO OBTAIN HEALTH COVERAGE FOR A DEPENDENT.**

4           **(B) ~~(a)~~**"Department" means the department of community health.

5           **(C) ~~(b)~~**"Entity" means a health insurer; a health maintenance  
6 organization; a nonprofit health care corporation; a managed care  
7 corporation; a preferred provider organization; an organization

1 operating pursuant to the prudent purchaser act, 1984 PA 233, MCL  
2 550.51 to 550.63; a self-funded health plan; a professional  
3 association, trust, pool, union, or fraternal group, offering  
4 health coverage; a system of health care delivery and financing  
5 operating pursuant to section 3573 of the insurance code of 1956,  
6 1956 PA 218, MCL 500.3573; and a third party administrator.

7 **EFFECTIVE JANUARY 1, 2011, ENTITY INCLUDES A PARTY LEGALLY**  
8 **RESPONSIBLE FOR PAYMENT OF A HEALTH CARE CLAIM ARISING OUT OF**  
9 **CHAPTER 31 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3101**  
10 **TO 500.3179.**

11 (D) ~~(e)~~—"Medical assistance" means the medical assistance  
12 program administered by the state under the social welfare act,  
13 1939 PA 280, MCL 400.1 to 400.119b.

14 (E) ~~(d)~~—"Qualified health plan" means that term as defined in  
15 section 111i of the social welfare act, 1939 PA 280, MCL 400.111i.

16 Sec. 3. (1) An entity shall provide on a monthly basis to the  
17 department, in a format determined by the department, information  
18 necessary to enable the department or entity to determine whether a  
19 health coverage recipient of the entity is also a medical  
20 assistance recipient **OR A CHILD SUPPORT ORDER DEPENDENT OR IS ALSO**  
21 **SUBJECT TO A CHILD SUPPORT ORDER. AN ENTITY SHALL RESPOND TO ANY**  
22 **DEPARTMENT INQUIRY CONCERNING A REQUEST FOR HEALTH COVERAGE**  
23 **VERIFICATION.**

24 (2) If a health coverage recipient of the entity is also a  
25 medical assistance recipient, the entity shall do all of the  
26 following by not later than 180 days after the department's  
27 request:

1 (a) Pay the department for, or assign to the department any  
2 right of recovery owed to the entity for, a covered health claim  
3 for which medical assistance payment has been made.

4 (b) Respond to any inquiry by the department concerning a  
5 claim for payment for any health care item or service that is  
6 submitted not later than 3 years after the date the health care  
7 item or service was provided.

8 (3) An entity shall not deny a claim submitted by the  
9 department solely on the basis of the date of submission of the  
10 claim, **THE METHOD OF THE SUBMISSION OF THE CLAIM**, the type or  
11 format of the claim form, or a failure to present proper  
12 documentation at the time the health care item or service that is  
13 the basis of the claim was provided so long as both of the  
14 following apply:

15 (a) The claim is submitted to the entity within 3 years of the  
16 date that the health care item or service that is the subject of  
17 the claim was provided.

18 (b) Any action by the state to enforce its rights under this  
19 subdivision is commenced within 6 years of the date that the health  
20 care item or service that is the subject of the claim was provided.

21 **(4) IF A HEALTH COVERAGE RECIPIENT OF THE ENTITY IS ALSO A**  
22 **MEDICAL ASSISTANCE RECIPIENT, THE ENTITY SHALL NOT DENY A HEALTH**  
23 **CLAIM FOR WHICH MEDICAL ASSISTANCE PAYMENT HAS BEEN MADE SOLELY**  
24 **BECAUSE PRIOR AUTHORIZATION WAS NOT RECEIVED. WHERE THIS PRIOR**  
25 **AUTHORIZATION WAS NOT RECEIVED, THE ENTITY SHALL ADJUDICATE THE**  
26 **HEALTH CLAIM AS IF THE PRIOR AUTHORIZATION FOR THE CLAIM HAD BEEN**  
27 **REQUESTED.**

1           SEC. 6. IF THE DEPARTMENT DETERMINES THAT A HEALTH COVERAGE  
2 RECIPIENT IS ALSO A CHILD SUPPORT ORDER DEPENDENT OR IS SUBJECT TO  
3 A CHILD SUPPORT ORDER, THE DEPARTMENT MAY SHARE INFORMATION  
4 RECEIVED UNDER SECTION 3 WITH THE DEPARTMENT OF HUMAN SERVICES TO  
5 ENABLE THE DEPARTMENT OF HUMAN SERVICES TO UPDATE ITS CHILD SUPPORT  
6 ORDER DATABASE.

7           Sec. 7. An entity that violates this act is subject to an  
8 administrative fine of not more than ~~\$500.00~~ \$750.00 for each day  
9 the entity does not comply with section 3(1) or with a request for  
10 information made pursuant to section 3(2). Upon the department's  
11 determination that a violation of this act has occurred, the entity  
12 has a right to notice of the alleged violation and an opportunity  
13 for a hearing under the administrative procedures act of 1969, 1969  
14 PA 306, MCL 24.201 to 24.328.