

HOUSE BILL No. 5876

October 1, 2014, Introduced by Reps. Walsh, Knezek, Barnett, Rogers, Denby, Jacobsen, Brown and Schmidt and referred to the Committee on Insurance.

A bill to amend 1984 PA 233, entitled
"Prudent purchaser act,"
by amending the title and section 2 (MCL 550.52), section 2 as
amended by 2014 PA 74, and by adding section 3c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to authorize certain organizations to enter into
prudent purchaser agreements with health care providers; to control
health care costs, assure appropriate utilization of health care
services, and maintain quality of health care; to provide for the
regulation of certain organizations, health care providers, health
care facilities, and prudent purchaser arrangements; ~~to establish a
joint legislative committee to investigate the degree of~~

1 ~~competition in the health care coverage market in this state, and~~
2 to provide for the powers and duties of certain state officers and
3 agencies; **AND TO PRESCRIBE PENALTIES AND PROVIDE REMEDIES.**

4 Sec. 2. As used in this act:

5 (A) "BOARD OF PHARMACY" MEANS THE MICHIGAN BOARD OF PHARMACY
6 CREATED IN SECTION 17721 OF THE PUBLIC HEALTH CODE, 1978 PA 368,
7 MCL 333.17721.

8 (B) "COINSURANCE" MEANS A TYPE OF COST SHARING UNDER WHICH AN
9 INSURED OR COVERED MEMBER PAYS OUT OF POCKET A SPECIFIED PERCENTAGE
10 OF COST FOR A SERVICE, AND THE ORGANIZATION COVERS THE REMAINDER OF
11 THE CHARGE.

12 (C) ~~(a)~~-"Commissioner" means the ~~commissioner of~~
13 ~~insurance.~~ DIRECTOR.

14 (D) "COPAYMENT" MEANS A TYPE OF COST SHARING UNDER WHICH AN
15 INSURED OR COVERED MEMBER PAYS OUT OF POCKET A SPECIFIED
16 PREDETERMINED AMOUNT FOR A SERVICE, AND THE ORGANIZATION COVERS THE
17 REMAINDER OF THE CHARGE. A COPAYMENT IS INCURRED AT THE TIME THE
18 SERVICE IS USED AND MAY BE A FIXED OR VARIABLE AMOUNT.

19 (E) "DEDUCTIBLE" MEANS A TYPE OF COST SHARING UNDER WHICH AN
20 INSURED OR COVERED MEMBER PAYS OUT OF POCKET A SPECIFIED AMOUNT
21 BEFORE AN ORGANIZATION WILL PAY OR REIMBURSE ANY COST FOR A
22 SERVICE.

23 (F) ~~(b)~~-"Dental care corporation" means a dental care
24 corporation incorporated under 1963 PA 125, MCL 550.351 to 550.373.

25 ~~(c)~~ "Health care corporation" means a ~~health care corporation~~
26 ~~incorporated under the nonprofit health care corporation reform~~
27 ~~act, 1980 PA 350, MCL 550.1101 to 550.1704.~~

1 (G) "DEPARTMENT" MEANS THE DEPARTMENT OF INSURANCE AND
2 FINANCIAL SERVICES.

3 (H) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

4 (I) ~~(d)~~"Health care provider" means a health facility or a
5 person licensed, certified, or registered under part 62 or parts
6 161 to 182 of the public health code, 1978 PA 368, MCL 333.6230 to
7 333.6251 and 333.16101 to 333.18237, and chapter 2A of the mental
8 health code, 1974 PA 258, MCL 330.1260 to 330.1287. ~~Health care~~
9 ~~provider does not include a pharmacist or pharmacy engaged in the~~
10 ~~retail sale of drugs, until January 1, 1987.~~

11 (J) ~~(e)~~"Health facility" means:

12 (i) ~~A~~**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, A**
13 **facility or agency, OR A LICENSED PART OF THE FACILITY OR AGENCY,**
14 licensed or authorized under parts 201 to 217 of the public health
15 code, 1978 PA 368, MCL 333.20101 to 333.21799e. ~~, or a licensed~~
16 ~~part of that facility or agency.~~ Health facility does not include
17 an ambulance operation, aircraft transport operation, nontransport
18 prehospital life support operation, or medical first response
19 service **LICENSED OR AUTHORIZED UNDER PART 209 OF THE PUBLIC HEALTH**
20 **CODE, 1978 PA 368, MCL 333.20901 TO 333.20979.**

21 (ii) A mental hospital, psychiatric hospital, psychiatric unit,
22 or other facility defined in 42 USC 1396d(d) operated by the
23 department of community health or certified or licensed under the
24 mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

25 (iii) A facility providing outpatient physical therapy services,
26 including ~~speech~~**SPEECH-LANGUAGE** pathology services.

27 (iv) A kidney disease treatment center, including a

1 freestanding hemodialysis unit.

2 (v) An organized ambulatory health care facility.

3 (vi) A tertiary health care service facility.

4 (vii) A substance ~~abuse treatment~~ **USE DISORDER SERVICES** program
5 licensed under part 62 of the public health code, 1978 PA 368, MCL
6 333.6230 to 333.6251, or chapter 2A of the mental health code, 1974
7 PA 258, MCL 330.1260 to 330.1287.

8 (viii) An outpatient psychiatric clinic.

9 (ix) A home health agency.

10 (K) ~~(f)~~ "Health maintenance organization" means that term as
11 defined in section 3501 of the insurance code of 1956, 1956 PA 218,
12 MCL 500.3501.

13 ~~— (g) "Hospital service corporation" means a hospital service~~
14 ~~corporation incorporated under former 1939 PA 109.~~

15 (L) ~~(h)~~ "Insurer" means ~~an insurer~~ **THAT TERM** as defined in
16 section 106 of the insurance code of 1956, 1956 PA 218, MCL
17 500.106.

18 ~~— (i) "Medical care corporation" means a medical care~~
19 ~~corporation incorporated under former 1939 PA 108.~~

20 (M) ~~(j)~~ "Organization" means an insurer, a dental care
21 corporation, ~~hospital service corporation, medical care~~
22 ~~corporation, health care corporation, A HEALTH MAINTENANCE~~
23 **ORGANIZATION**, or **A** third party administrator.

24 (N) **"PERSON" MEANS AN INDIVIDUAL, SOLE PROPRIETORSHIP,**
25 **PARTNERSHIP, CORPORATION, ASSOCIATION, OR ANY OTHER LEGAL ENTITY.**

26 (O) **"PHARMACY" MEANS THAT TERM AS DEFINED IN SECTION 17707 OF**
27 **THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.17707, AND INCLUDES A**

1 PERSON THAT HOLDS A PHARMACIST OR PHARMACY LICENSE ISSUED UNDER
2 PART 177 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.17701 TO
3 333.17780.

4 (P) "PHARMACY BENEFITS OR COVERAGE" MEANS THE FULL OR PARTIAL
5 PAYMENT OR REIMBURSEMENT BY AN ORGANIZATION OF THE COST OF PHARMACY
6 SERVICES PROVIDED TO AN INSURED OR COVERED MEMBER.

7 (Q) "PHARMACY SERVICES" MEANS ALL SERVICES FALLING WITHIN THE
8 SCOPE OF THE PRACTICE OF PHARMACY.

9 (R) "PRACTICE OF PHARMACY" MEANS THAT TERM AS DEFINED IN
10 SECTION 17707 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL
11 333.17707.

12 (S) ~~(k)~~—"Provider panel" means a panel of health care
13 providers providing health care services under a prudent purchaser
14 agreement.

15 (T) ~~(l)~~—"Prudent purchaser agreement" means an agreement
16 between an organization and a health care provider under section 3.

17 (U) ~~(m)~~—"Third party administrator" means an administrator
18 operating under a certificate of authority issued by the
19 ~~commissioner~~ DIRECTOR pursuant to the third party administrator
20 act, 1984 PA 218, MCL 550.901 TO 550.960.

21 SEC. 3C. (1) IN ADDITION TO THE REQUIREMENTS OF SECTION 3, AN
22 ORGANIZATION THAT PROVIDES OR ADMINISTERS PHARMACY BENEFITS OR
23 COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT SHALL COMPLY WITH THIS
24 SECTION. IF A REQUIREMENT OF SECTION 3 CONFLICTS WITH A REQUIREMENT
25 OF THIS SECTION WITH REGARD TO PHARMACY BENEFITS OR COVERAGE, THIS
26 SECTION PREVAILS.

27 (2) UPON THE WRITTEN REQUEST OF A PHARMACY LOCATED WITHIN THE

1 GEOGRAPHIC AREA SERVED BY AN ORGANIZATION'S PROVIDER PANEL THAT
2 PROVIDES PHARMACY SERVICES TO ITS INSURED OR COVERED MEMBERS, THE
3 ORGANIZATION SHALL ENROLL THE REQUESTING PHARMACY AS A MEMBER OF
4 THAT PROVIDER PANEL IN ACCORDANCE WITH THE SAME TERMS AND
5 CONDITIONS, INCLUDING TERMS OF REIMBURSEMENT, THAT ARE OFFERED TO
6 OTHER PHARMACIES THAT ARE MEMBERS OF THAT PROVIDER PANEL.

7 (3) AN ORGANIZATION THAT PROVIDES OR ADMINISTERS PHARMACY
8 BENEFITS OR COVERAGE UNDER A PRUDENT PURCHASER AGREEMENT SHALL NOT
9 DO ANY OF THE FOLLOWING:

10 (A) PROHIBIT AN INSURED OR COVERED MEMBER WHO IS ENTITLED TO
11 RECEIVE PHARMACY BENEFITS OR COVERAGE FROM SELECTING A PHARMACY OF
12 HIS OR HER CHOICE IF THE SELECTED PHARMACY HAS AGREED TO
13 PARTICIPATE ACCORDING TO THE TERMS OF THE PRUDENT PURCHASER
14 AGREEMENT BETWEEN THE ORGANIZATION AND MEMBERS OF ITS PROVIDER
15 PANEL THAT PROVIDE PHARMACY SERVICES TO INSURED OR COVERED MEMBERS
16 IN THE SAME GEOGRAPHIC AREA.

17 (B) LIMIT THE ABILITY OF AN INSURED OR COVERED MEMBER WHO IS
18 ENTITLED TO RECEIVE PHARMACY BENEFITS OR COVERAGE TO SELECT A
19 PHARMACY OF HIS OR HER CHOICE THAT HAS AGREED TO PARTICIPATE
20 ACCORDING TO THE TERMS OF THE PRUDENT PURCHASER AGREEMENT BETWEEN
21 THE ORGANIZATION AND MEMBERS OF ITS PROVIDER PANEL THAT PROVIDE
22 PHARMACY SERVICES TO INSURED OR COVERED MEMBERS IN THE SAME
23 GEOGRAPHIC AREA.

24 (C) REQUIRE AN INSURED OR COVERED MEMBER, AS A CONDITION OF
25 PAYMENT OR REIMBURSEMENT, TO PURCHASE PHARMACY SERVICES THROUGH A
26 MAIL-ORDER PHARMACY.

27 (D) CREATE A MONETARY ADVANTAGE OR IMPOSE A PENALTY IN

1 RELATION TO A PHARMACY'S PROVISION OF PHARMACY SERVICES THAT IS
2 REASONABLY LIKELY TO AFFECT AN INSURED'S OR COVERED MEMBER'S CHOICE
3 OF PHARMACY. AS USED IN THIS SUBDIVISION, "MONETARY ADVANTAGE" AND
4 "PENALTY" INCLUDE THE IMPOSITION OR REQUIREMENT OF A HIGHER
5 COPAYMENT, COINSURANCE, OR DEDUCTIBLE; A REDUCTION IN REIMBURSEMENT
6 FOR SERVICES; OR ANY OTHER ACTION THAT IS INTENDED OR REASONABLY
7 LIKELY TO PROMOTE 1 PHARMACY OVER ANOTHER.

8 (E) IMPOSE ON AN INSURED OR COVERED MEMBER WHO IS ENTITLED TO
9 RECEIVE PHARMACY BENEFITS OR COVERAGE ANY COPAYMENT, COINSURANCE,
10 OR DEDUCTIBLE, FEE, OR CONDITION THAT IS NOT EQUALLY IMPOSED UPON
11 ALL INSUREDS OR COVERED MEMBERS IN THE SAME BENEFIT CATEGORY,
12 CLASS, OR LEVEL UNDER THE POLICY, CERTIFICATE, OR CONTRACT WHEN
13 RECEIVING PHARMACY SERVICES FROM A PARTICIPATING MEMBER OF A
14 PROVIDER PANEL.

15 (F) REDUCE ALLOWABLE REIMBURSEMENT FOR PHARMACY SERVICES TO AN
16 INSURED OR COVERED MEMBER BECAUSE THE INSURED OR COVERED MEMBER
17 SELECTS A PHARMACY OF HIS OR HER CHOICE, IF THE SELECTED PHARMACY
18 HAS ENROLLED OR REQUESTED TO ENROLL AND PARTICIPATE AS A MEMBER OF
19 THE ORGANIZATION'S PROVIDER PANEL AS PROVIDED IN SUBSECTION (2).

20 (G) DENY A PHARMACY THE OPPORTUNITY TO PARTICIPATE AS A MEMBER
21 OF A PROVIDER PANEL UNDER A PRUDENT PURCHASER AGREEMENT IF THE
22 PHARMACY MAKES A WRITTEN REQUEST AS PROVIDED IN SUBSECTION (2) AND
23 AGREES TO PROVIDE PHARMACY SERVICES TO THE ORGANIZATION'S INSUREDS
24 OR COVERED MEMBERS IN ACCORDANCE WITH THE SAME TERMS AND
25 CONDITIONS, INCLUDING TERMS OF REIMBURSEMENT, THAT ARE OFFERED TO
26 OTHER PHARMACIES THAT ARE MEMBERS OF THAT PROVIDER PANEL.

27 (H) REQUIRE A PHARMACY TO PARTICIPATE AS A MEMBER OF A

1 PROVIDER PANEL UNDER A PRUDENT PURCHASER AGREEMENT AS A CONDITION
2 FOR INCLUSION OF THAT PHARMACY IN ANOTHER PROVIDER PANEL OF THAT
3 ORGANIZATION.

4 (4) AN ORGANIZATION SHALL PROVIDE NOTICE OF THE CREATION OF A
5 NEW PROVIDER PANEL THAT PROVIDES PHARMACY SERVICES TO ITS INSUREDS
6 OR COVERED MEMBERS AND OF THE OPPORTUNITY TO APPLY FOR MEMBERSHIP
7 IN AN EXISTING PROVIDER PANEL IN THE MANNER PROVIDED IN SECTION 3.
8 THE ORGANIZATION SHALL DO ALL OF THE FOLLOWING:

9 (A) PROVIDE WRITTEN NOTIFICATION TO THE DIRECTOR, THE BOARD OF
10 PHARMACY, AND ALL PHARMACIES IN THE GEOGRAPHIC AREA SERVED BY THE
11 NEW PROVIDER PANEL THAT PROVIDES PHARMACY SERVICES AT LEAST 30 DAYS
12 BEFORE THE EFFECTIVE DATE OF THE NEW PROVIDER PANEL OR OF THE NEW
13 PRUDENT PURCHASER AGREEMENT THAT PROVIDES FOR THE ESTABLISHMENT OF
14 THE PROVIDER PANEL. THE WRITTEN NOTIFICATION UNDER THIS SUBDIVISION
15 MUST INCLUDE CONTACT INFORMATION FOR THE ORGANIZATION AND
16 INFORMATION CONCERNING THE NEW PROVIDER PANEL AND THE TERMS AND
17 CONDITIONS THAT GOVERN THE PARTICIPATION OF PHARMACIES AS MEMBERS
18 OF THE PROVIDER PANEL.

19 (B) OFFER TO ALL PHARMACIES LOCATED IN THE GEOGRAPHIC AREA
20 SERVED BY THE PROVIDER PANEL THAT PROVIDES PHARMACY SERVICES, THE
21 OPPORTUNITY TO PARTICIPATE AS MEMBERS OF THAT PROVIDER PANEL IN
22 ACCORDANCE WITH THE SAME TERMS AND CONDITIONS, INCLUDING TERMS OF
23 REIMBURSEMENT, THAT ARE OFFERED TO OTHER PHARMACIES THAT ARE
24 MEMBERS OF THAT PROVIDER PANEL.

25 (C) TO EFFECTUATE THE PURPOSES OF THIS SECTION, THROUGH
26 REASONABLE MEANS, ON A TIMELY BASIS, AND AT REGULAR INTERVALS,
27 INFORM THE INSUREDS OR COVERED MEMBERS OF THE NAMES AND LOCATIONS

1 OF ALL PHARMACIES IN THE GEOGRAPHIC AREA THAT ARE ELIGIBLE TO
2 PARTICIPATE AS MEMBERS OF ITS PROVIDER PANEL THAT PROVIDES PHARMACY
3 SERVICES IN THAT GEOGRAPHIC AREA IN ACCORDANCE WITH THE SAME TERMS
4 AND CONDITIONS, INCLUDING TERMS OF REIMBURSEMENT, THAT ARE OFFERED
5 TO OTHER PHARMACIES THAT ARE MEMBERS OF THAT PROVIDER PANEL.

6 (5) A PHARMACY, AT ANY TIME, MAY SUBMIT A WRITTEN REQUEST TO
7 AN ORGANIZATION TO BECOME A MEMBER OF THE ORGANIZATION'S PROVIDER
8 PANEL THAT PROVIDES PHARMACY SERVICES TO ITS INSURED OR COVERED
9 MEMBERS IN ACCORDANCE WITH THE SAME TERMS AND CONDITIONS, INCLUDING
10 TERMS OF REIMBURSEMENT, THAT ARE OFFERED TO OTHER PHARMACIES THAT
11 ARE MEMBERS OF THAT PROVIDER PANEL.

12 (6) A PHARMACY THAT PARTICIPATES AS A MEMBER OF A PROVIDER
13 PANEL THAT PROVIDES PHARMACY SERVICES MAY ANNOUNCE ITS
14 PARTICIPATION TO ITS CUSTOMERS THROUGH A MEANS ACCEPTABLE TO THE
15 PHARMACY AND THE ORGANIZATION.

16 (7) UPON RECEIPT OF THE NOTIFICATION REQUIRED UNDER SUBSECTION
17 (4) (A), THE DIRECTOR SHALL PROMPTLY PUBLISH THE NOTIFICATION AND
18 ITS CONTENT ON THE DEPARTMENT'S INTERNET WEBSITE FOR DISSEMINATION
19 OF INFORMATION TO THE PUBLIC.

20 (8) A PHARMACY THAT IS A MEMBER OF AN ORGANIZATION'S PROVIDER
21 PANEL SHALL NOT IMPOSE OR REQUIRE A COPAYMENT, COINSURANCE,
22 DEDUCTIBLE, FEE, OR CONDITION THAT IS NOT EQUALLY IMPOSED UPON OR
23 REQUIRED OF ALL INSURED OR COVERED MEMBERS IN THE SAME BENEFIT
24 CATEGORY, CLASS, OR LEVEL UNDER THE HEALTH INSURANCE POLICY OR PLAN
25 WHEN PROVIDING PHARMACY SERVICES TO INSURED OR COVERED MEMBERS. A
26 VIOLATION OF THIS SUBSECTION IS CONSIDERED AN UNETHICAL BUSINESS
27 PRACTICE AS DESCRIBED IN SECTION 16221(D) OF THE PUBLIC HEALTH

1 CODE, 1978 PA 368, MCL 333.16221, AND THE DEPARTMENT AND THE
2 DISCIPLINARY SUBCOMMITTEE MAY PROCEED AS PROVIDED IN THAT SECTION
3 AND SECTION 16226 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL
4 333.16226.

5 (9) IF AN ORGANIZATION ALLOWS REBATES OR MARKETING INCENTIVES
6 TO PHARMACIES THAT PROVIDE PHARMACY SERVICES AS MEMBERS OF ITS
7 PROVIDER PANEL, THE ORGANIZATION SHALL OFFER THE REBATES OR
8 MARKETING INCENTIVES ON AN EQUAL BASIS TO ALL MEMBER PHARMACIES
9 WHEN THE PHARMACY SERVICES, INCLUDING PRESCRIPTION DRUGS, ARE
10 PURCHASED IN THE SAME VOLUME AND UNDER THE SAME TERMS OF PAYMENT.
11 THIS SUBSECTION DOES NOT PREVENT A PHARMACEUTICAL MANUFACTURER OR
12 WHOLESALE DISTRIBUTOR OF PHARMACEUTICAL PRODUCTS FROM PROVIDING
13 SPECIAL PRICES, MARKETING INCENTIVES, REBATES, OR DISCOUNTS TO
14 DIFFERENT PURCHASERS THAT ARE NOT OTHERWISE PROHIBITED BY FEDERAL
15 OR STATE ANTITRUST LAWS.

16 (10) THIS SECTION DOES NOT PROHIBIT AN ORGANIZATION FROM
17 DESIGNATING AN EXCLUSIVE MAIL-ORDER PHARMACY FOR 1 OR MORE OF ITS
18 PROVIDER PANELS TO PROVIDE PHARMACY SERVICES TO INSUREDS OR COVERED
19 MEMBERS WHO ELECT TO USE A MAIL-ORDER PHARMACY AS A SOURCE FOR
20 OBTAINING PHARMACY SERVICES.

21 (11) THIS SECTION DOES NOT PROHIBIT AN EMPLOYER FROM
22 ESTABLISHING AN EXCLUSIVE GROUP OF 1 OR MORE PHARMACIES, OWNED AND
23 OPERATED BY THE EMPLOYER, THAT EMPLOY LICENSED PHARMACISTS FOR THE
24 PURPOSE OF DISPENSING PRESCRIPTION DRUGS TO THE EMPLOYER'S
25 EMPLOYEES AND THE INSUREDS OR COVERED MEMBERS OF A PLAN ESTABLISHED
26 BY THE EMPLOYER FOR THE BENEFIT OF ITS EMPLOYEES AND THEIR
27 DEPENDENTS. THIS SUBSECTION DOES NOT APPLY TO A PHARMACY THAT

1 CONTRACTS WITH 1 OR MORE OUTSIDE PHARMACIES TO PROVIDE PHARMACY
2 SERVICES TO THE EMPLOYER'S EMPLOYEES AND THE INSURED OR COVERED
3 MEMBERS OF THE PLAN.

4 (12) THE ATTORNEY GENERAL, OR A PROSECUTING ATTORNEY WITH THE
5 PERMISSION OF OR AT THE REQUEST OF THE ATTORNEY GENERAL, MAY BRING
6 AN ACTION FOR APPROPRIATE DECLARATORY RELIEF, INJUNCTIVE RELIEF, OR
7 CIVIL PENALTIES IN THE NAME OF THIS STATE FOR A VIOLATION OF THIS
8 SECTION. IN AN ACTION BROUGHT UNDER THIS SUBSECTION, THE COURT MAY
9 ASSESS FOR THE BENEFIT OF THIS STATE A CIVIL PENALTY OF NOT MORE
10 THAN \$50,000.00 FOR EACH VIOLATION OF THIS SECTION.

11 (13) A PERSON THREATENED WITH INJURY OR INJURED DIRECTLY OR
12 INDIRECTLY BY A VIOLATION OF THIS SECTION MAY BRING AN ACTION FOR
13 APPROPRIATE DECLARATORY RELIEF, INJUNCTIVE RELIEF, OR ACTUAL
14 DAMAGES SUSTAINED DUE TO THE VIOLATION, PLUS JUDGMENT INTEREST,
15 TAXABLE COSTS, AND REASONABLE ATTORNEY FEES INCURRED IN PURSUIT OF
16 THE REMEDIES DESCRIBED IN THIS SUBSECTION. IF THE COURT OR JURY
17 FINDS THAT THE VIOLATION WAS FLAGRANT, OR COMMITTED FOR THE PURPOSE
18 OF ELIMINATING OR RESTRAINING COMPETITION, THE COURT MAY INCREASE
19 THE AWARD OF DAMAGES TO AN AMOUNT THAT DOES NOT EXCEED 3 TIMES THE
20 ACTUAL DAMAGES SUSTAINED DUE TO THE VIOLATION.

21 (14) A VIOLATION OF SUBSECTION (3) (D), (G), OR (H) IS A FELONY
22 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 4 YEARS OR A FINE OF
23 NOT MORE THAN \$50,000.00, OR BOTH.

24 (15) A VIOLATION OF THIS SECTION BY AN ORGANIZATION THAT IS
25 SUBJECT TO THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO
26 500.8302, IS CONSIDERED A VIOLATION OF THAT ACT, AND THE DIRECTOR
27 MAY PROCEED AS PROVIDED IN SECTION 150 OF THE INSURANCE CODE OF

1 1956, 1956 PA 218, MCL 500.150.

2 (16) THE PENALTIES PRESCRIBED AND REMEDIES PROVIDED UNDER THIS
3 SECTION ARE CUMULATIVE AND NOT EXCLUSIVE. THE ATTORNEY GENERAL, THE
4 DEPARTMENT, AND OTHER PERSONS ARE NOT LIMITED TO THE PENALTIES AND
5 REMEDIES IN THIS SECTION. THE USE OF 1 PENALTY OR REMEDY BY A
6 PERSON IS NOT A BAR TO THE USE OF OTHER PENALTIES OR REMEDIES BY
7 THAT PERSON OR TO THE USE OF A PENALTY OR REMEDY BY ANOTHER PERSON.

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. _____ or House Bill No. 5877 (request no.
10 05934'14 a) of the 97th Legislature is enacted into law.