

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.3501 Definitions.

Sec. 3501. As used in this chapter:

(a) "Affiliated provider" means a health professional, licensed hospital, licensed pharmacy, or any other institution, organization, or person that has entered into a participating provider contract, directly or indirectly, with a health maintenance organization to render 1 or more health services to an enrollee. Affiliated provider includes a person described in this subdivision that has entered into a written arrangement with another person, including, but not limited to, a physician hospital organization or physician organization, that contracts directly with a health maintenance organization.

(b) "Basic health services" means medically necessary health services that health maintenance organizations must offer to large employers in at least 1 health maintenance contract. Basic health services include all of the following:

- (i) Physician services including primary care and specialty care.
- (ii) Ambulatory services.
- (iii) Inpatient hospital services.
- (iv) Emergency health services.
- (v) Mental health and substance use disorder services.
- (vi) Diagnostic laboratory and diagnostic and therapeutic radiological services.
- (vii) Home health services.
- (viii) Preventive health services.

(c) "Credentialing verification" means the process of obtaining and verifying information about a health professional and evaluating the health professional when the health professional applies to become a participating provider with a health maintenance organization.

(d) "Health maintenance contract" means a contract between a health maintenance organization and a subscriber or group of subscribers to provide or arrange for the provision of health services within the health maintenance organization's service area. Health maintenance contract includes a prudent purchaser agreement under section 3405.

(e) "Health maintenance organization" means a person that, among other things, does the following:

(i) Delivers health services that are medically necessary to enrollees under the terms of its health maintenance contract, directly or through contracts with affiliated providers, in exchange for a fixed prepaid sum or per capita prepayment, without regard to the frequency, extent, or kind of health services.

(ii) Is responsible for the availability, accessibility, and quality of the health services provided.

(f) "Health professional" means an individual licensed, certified, or authorized in accordance with state law to practice a health profession in his or her respective state.

(g) "Health services" means services provided to enrollees of a health maintenance organization under their health maintenance contract.

(h) "Service area" means a defined geographical area in which covered health services are generally available and readily accessible to enrollees and where health maintenance organizations may market their contracts.

History: Add. 2000, Act 252, Imd. Eff. June 29, 2000;—Am. 2016, Act 276, Imd. Eff. July 1, 2016.

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