

PATIENT'S RIGHT TO INDEPENDENT REVIEW ACT (EXCERPT)
Act 251 of 2000

550.1929 Cease and desist order; additional orders; fines; hearing; injunction; creation of cancer clinical trials; disposition of funds.

Sec. 29. (1) If the commissioner finds that a violation of this act has occurred, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:

(a) Payment of a civil fine of not more than \$1,000.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this act, the commissioner may order the payment of a civil fine of not more than \$5,000.00 for each violation.

(b) The suspension, limitation, or revocation of the person's license or certificate of authority.

(2) If the commissioner finds that a health carrier has deliberately refused to pay for a covered benefit, the commissioner may order any of the following:

(a) For a first offense, payment of a civil fine of not more than \$25,000.00 and recovery of the cost of the investigation.

(b) For a second offense, payment of a civil fine of not more than \$50,000.00 and recovery of the cost of the investigation.

(c) For a third or subsequent offense or if the commissioner determines that the health carrier has deliberately engaged in a pattern of refusing to pay for a covered benefit, both of the following:

(i) The greater of the following:

(A) Payment of a civil fine of not more than \$280,000.00.

(B) Payment of a civil fine which shall be the amount of the health carrier's total liability for the covered benefits denied.

(ii) Recovery of the cost of the investigation.

(3) A fine collected under this section shall be placed in the cancer clinical trials fund created in subsection (7).

(4) A person who violates any provision of this act shall be afforded an opportunity for a hearing before the commissioner pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After notice and opportunity for hearing, the commissioner may by order reopen and alter, modify, or set aside, in whole or in part, an order issued under this section if, in the commissioner's opinion, conditions of fact or law have changed to require that action or the public interest requires that action.

(5) If a person knowingly violates a cease and desist order under this section and has been given notice and an opportunity for a hearing held pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner may order a civil fine of \$10,000.00 for each violation, or a suspension, limitation, or revocation of a person's license, or both.

(6) The commissioner may apply to the Ingham county circuit court for an order of the court enjoining a violation of this act.

(7) The cancer clinical trials fund is created as a separate fund in the state treasury. The money in the fund shall be used as provided in this subsection. The state treasurer shall credit to the cancer clinical trials fund all fines collected under this section. The state treasurer may invest money in the fund in any manner authorized by law for the investment of state money, and earnings shall be credited to the fund. Money may be appropriated from the fund to hospitals, outpatient oncology centers, and other facilities located in this state involved in national institutes of health phase III or IV cancer clinical trials that apply for fund money to partially defray costs of patient participation in cancer clinical trials not covered by pharmaceutical manufacturers or health carriers. Money may be appropriated from the fund in amounts that shall not exceed \$5,000.00 per facility per year. Money in the cancer clinical trials fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

History: 2000, Act 251, Eff. Oct. 1, 2000.