

SUBSTITUTE FOR
SENATE BILL NO. 807

A bill to amend 1984 PA 233, entitled
"Prudent purchaser act,"
by amending section 2 (MCL 550.52).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Commissioner" means the commissioner of insurance.

3 (b) "Dental care corporation" means a dental care corporation
4 incorporated under ~~Act No. 125 of the Public Acts of 1963, being~~
5 ~~sections 550.351 to 550.373 of the Michigan Compiled Laws.1963 PA~~
6 **125, MCL 550.351 TO 550.373.**

7 (c) "Health care corporation" means a health care corporation
8 incorporated under the nonprofit health care corporation reform
9 act, ~~Act No. 350 of the Public Acts of 1980, being sections~~
10 ~~550.1101 to 550.1704 of the Michigan Compiled Laws.1980 PA 350, MCL~~

1 550.1101 TO 550.1704.

2 (d) "Health care provider" means a health facility or a person
 3 licensed, certified, or registered under ~~parts 61 to 65~~ **PART 62** or
 4 **PARTS** 161 to 182 of the public health code, ~~Act No. 368 of the~~
 5 ~~Public Acts of 1978, being sections 333.6101 to 333.6523 and~~
 6 ~~333.16101 to 333.18237 of the Michigan Compiled Laws. However,~~
 7 ~~health~~ **1978 PA 368, MCL 333.6230 TO 333.6251 AND 333.16101 TO**
 8 **333.18237, AND CHAPTER 2A OF THE MENTAL HEALTH CODE, 1974 PA 258,**
 9 **MCL 330.1260 TO 330.1287. HEALTH** care provider does not include a
 10 pharmacist or pharmacy engaged in the retail sale of drugs, until
 11 January 1, 1987.

12 (e) "Health facility" means:

13 (i) A facility or agency licensed or authorized under parts 201
 14 to 217 of the public health code, **1978 PA 368, MCL 333.20101 TO**
 15 **333.21799E**, or a licensed part thereof, ~~except a facility or agency~~
 16 ~~licensed under part 203 of the public health code.~~ **OF THAT FACILITY**
 17 **OR AGENCY. HEALTH FACILITY DOES NOT INCLUDE AN AMBULANCE OPERATION,**
 18 **AIRCRAFT TRANSPORT OPERATION, NONTRANSPORT PREHOSPITAL LIFE SUPPORT**
 19 **OPERATION, OR MEDICAL FIRST RESPONSE SERVICE.**

20 (ii) A mental hospital, psychiatric hospital, psychiatric unit,
 21 or ~~mental retardation~~ **OTHER** facility **DEFINED IN 42 USC 1396D(D)**
 22 operated by the department of ~~mental~~ **COMMUNITY** health or certified
 23 or licensed under ~~Act No. 258 of the Public Acts of 1974, being~~
 24 ~~sections 330.1001 to 330.2106 of the Michigan Compiled Laws.~~ **THE**
 25 **MENTAL HEALTH CODE, 1974 PA 258, MCL 330.1001 TO 330.2106.**

26 (iii) A facility providing outpatient physical therapy services,
 27 including speech pathology services.

1 (iv) A kidney disease treatment center, including a
2 freestanding hemodialysis unit.

3 (v) An organized ambulatory health care facility.

4 (vi) A tertiary health care service facility.

5 (vii) A substance abuse treatment program licensed under ~~parts~~
6 ~~61 to 65~~ **PART 62** of the public health code, ~~Act No. 368 of the~~
7 ~~Public Acts of 1978, being sections 333.6101 to 333.6523 of the~~
8 ~~Michigan Compiled Laws.1978 PA 368, MCL 333.6230 TO 333.6251, OR~~
9 **CHAPTER 2A OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL 330.1260 TO**
10 **330.1287.**

11 (viii) An outpatient psychiatric clinic.

12 (ix) A home health agency.

13 (f) "Health maintenance organization" means ~~a health~~
14 ~~maintenance organization licensed under article 17 of the public~~
15 ~~health code, Act No. 368 of the Public Acts of 1978, being sections~~
16 ~~333.20101 to 333.22181 of the Michigan Compiled Laws.~~ **THAT TERM AS**
17 **DEFINED IN SECTION 3501 OF THE INSURANCE CODE OF 1956, 1956 PA 218,**
18 **MCL 500.3501.**

19 (g) "Hospital service corporation" means a hospital service
20 corporation incorporated under ~~Act No. 109 of the Public Acts of~~
21 ~~1939, being sections 550.501 to 550.517 of the Michigan Compiled~~
22 ~~Laws.~~ **FORMER 1939 PA 109.**

23 (h) "Insurer" means an insurer as defined in section 106 of
24 the insurance code of 1956, ~~Act No. 218 of the Public Acts of 1956,~~
25 ~~being section 500.106 of the Michigan Compiled Laws.~~ **1956 PA 218,**
26 **MCL 500.106.**

27 (i) "Medical care corporation" means a medical care

1 corporation incorporated under ~~Act No. 108 of the Public Acts of~~
2 ~~1939, being sections 550.301 to 550.316 of the Michigan Compiled~~
3 ~~Laws.~~ **FORMER 1939 PA 108.**

4 (j) "Organization" means an insurer, a dental care
5 corporation, hospital service corporation, medical care
6 corporation, health care corporation, or third party administrator.

7 (k) "Provider panel" means a panel of health care providers
8 providing health care services ~~pursuant to~~ **UNDER** a prudent
9 purchaser agreement.

10 (l) "Prudent purchaser agreement" means an agreement between an
11 organization and a health care provider ~~pursuant to~~ **UNDER** section
12 3.

13 (m) "Third party administrator" means an administrator
14 operating under a certificate of authority issued by the
15 commissioner pursuant to the third party administrator act.