

SENATE BILL No. 239

April 9, 1991, introduced by Senators O'BRIEN, POSTHUMUS, MILLER, SCHWARZ, WARTNER, ARTHURHULTZ, GAST, HONIGMAN, EMMONS, CISKY, N. SMITH, DILLINGHAM, MC MANUS, KOIVISTO, BERRYMAN, CHERRY, VAUGHN, BARCIA, WELBORN, CONROY, STABENOW, V. SMITH, POLLACK, DINGELL, HOLMES, HART, DI NELLO, CARL and GEAKE and referred to the Committee on Commerce.

A bill to amend the title of Act No. 350 of the Public Acts
of 1980, entitled

"The nonprofit health care corporation reform act,"

as amended, being sections 550.1101 to 550.1704 of the Michigan
Compiled Laws; and to add sections 435, 436, 437, 438, and 439.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 350 of the Public Acts of
2 1980, as amended, being sections 550.1101 to 550.1704 of the
3 Michigan Compiled Laws, is amended and sections 435, 436, 437,
4 438, and 439 are added to read as follows:

5	TITLE
---	-------

6 An act to provide for the incorporation of nonprofit health
7 care corporations; to provide their rights, powers, and
8 immunities; to prescribe the powers and duties of certain state
9 officers relative to the exercise of those rights, powers, and

1 immunities; to prescribe certain conditions for the transaction
2 of business by those corporations in this state; to define the
3 relationship of health care providers to nonprofit health care
4 corporations and to specify their rights, powers, and immunities
5 with respect thereto; TO PROVIDE FOR A MICHIGAN CARING PROGRAM;
6 to provide for the regulation and supervision of nonprofit health
7 care corporations by the commissioner of insurance; to prescribe
8 powers and duties of certain other state officers with respect to
9 the regulation and supervision of nonprofit health care corpora-
10 tions; to regulate the merger or consolidation of certain corpo-
11 rations; to prescribe an expeditious and effective procedure for
12 the maintenance and conduct of certain administrative appeals
13 relative to provider class plans; to provide for certain adminis-
14 trative hearings relative to rates for health care benefits; to
15 provide for certain causes of action; to prescribe penalties and
16 to provide civil fines for violations of this act; and to repeal
17 certain acts and parts of acts.

18 SEC. 435. AS USED IN SECTIONS 436 TO 439, "PROGRAM" MEANS
19 THE MICHIGAN CARING PROGRAM CREATED IN SECTION 436.

20 SEC. 436. THERE MAY BE CREATED WITHIN EACH HEALTH CARE COR-
21 PORATION A MICHIGAN CARING PROGRAM FOR CHILDREN. THE PROGRAM
22 SHALL PROVIDE PRIMARY HEALTH CARE COVERAGE FOR CHILDREN AS SET
23 FORTH IN SECTION 438 AND SHALL BE ADMINISTERED BY THE HEALTH CARE
24 CORPORATION. EACH PROGRAM SHALL BE DESCRIBED IN A CERTIFICATE
25 THAT SETS FORTH THE BENEFITS PROVIDED. A CERTIFICATE AND THE
26 CONTRIBUTION TO BE CHARGED SHALL BE SUBJECT TO THE COMMISSIONER'S
27 APPROVAL. CONTRIBUTION REQUIREMENTS SHALL BE ESTABLISHED IN

1 ACCORDANCE WITH RATING METHODOLOGIES APPROVED BY THE COMMISSIONER
2 WHICH, OVER TIME, SHALL NOT RESULT IN EITHER GAIN OR LOSS TO THE
3 CORPORATION. THE RATING METHODOLOGY FOR A PROGRAM SHALL NOT
4 INCLUDE ANY FACTORS OTHERWISE INCLUDABLE PURSUANT TO OTHER SEC-
5 TIONS OF THIS ACT THAT ARE INTENDED TO PROVIDE FOR SUBSIDIES,
6 SURCHARGES, OR ADMINISTRATIVE COSTS. ANY OTHER PROVISIONS OF
7 THIS ACT THAT WOULD OTHERWISE APPLY TO A PROGRAM BUT WHICH ARE
8 INCONSISTENT WITH THE PROVISIONS OF THIS SECTION AND SECTIONS 437
9 TO 439 ARE SUPERSEDED.

10 SEC. 437. A CHILD IS ELIGIBLE FOR ENROLLMENT IN THE PROGRAM
11 IF THE CHILD MEETS ALL OF THE FOLLOWING:

12 (A) IS LESS THAN 19 YEARS OF AGE.

13 (B) IS UNMARRIED.

14 (C) RESIDES IN A HOUSEHOLD WITH INCOME 200% OR LESS OF THE
15 FEDERAL POVERTY LEVEL.

16 (D) IS INELIGIBLE TO RECEIVE HEALTH CARE THROUGH TITLE XIX
17 OF THE SOCIAL SECURITY ACT, CHAPTER 531, 49 STAT. 620,
18 42 U.S.C. 1396 TO 1396f AND 1396i TO 1396u.

19 (E) IS ENROLLED IN THE PROGRAM WITH ALL OTHER ELIGIBLE SIB-
20 LINGS WHO HAVE NO OTHER HEALTH CARE COVERAGE AVAILABLE.

21 (F) IS ENROLLED IN SCHOOL IF OF SCHOOL AGE.

22 (G) IS A RESIDENT OF THIS STATE.

23 (H) HAS NO OTHER HEALTH CARE COVERAGE AVAILABLE.

24 SEC. 438. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
25 ACT, A HEALTH CARE CORPORATION MAY LIMIT THE BENEFITS IT WILL
26 FURNISH TO AN ELIGIBLE CHILD ENROLLED IN THE PROGRAM TO THE
27 FOLLOWING PRIMARY HEALTH CARE BENEFITS:

1 (A) DOCTOR OFFICE VISITS FOR A SICK CHILD.

2 (B) MEDICALLY NECESSARY OUTPATIENT DIAGNOSTIC TESTS.

3 (C) EMERGENCY MEDICAL AND ACCIDENT CARE IN A DOCTOR'S OFFICE
4 OR HOSPITAL'S EMERGENCY ROOM.

5 (D) MEDICALLY NECESSARY OUTPATIENT SURGERY AND ANESTHESIA.

6 (E) PREVENTIVE CARE, INCLUDING, BUT NOT LIMITED TO, IMMUNI-
7 ZATIONS AND WELL-CHILD VISITS TO A DOCTOR'S OFFICE.

8 (F) OUTPATIENT SUBSTANCE ABUSE CARE.

9 (2) WITH THE COMMISSIONER'S APPROVAL, A HEALTH CARE CORPORA-
10 TION MAY PROVIDE OTHER HEALTH CARE BENEFITS IN ADDITION TO THE
11 PRIMARY HEALTH CARE BENEFITS SET FORTH IN SUBSECTION (1).

12 (3) HEALTH CARE BENEFITS UNDER THE PROGRAM ARE NOT PAYABLE
13 TO THE EXTENT ANY OTHER SOURCE OF PAYMENT IS AVAILABLE AT THE
14 TIME SERVICES ARE PROVIDED, INCLUDING AUTOMOBILE INSURANCE
15 BENEFITS.

16 SEC. 439. THE PROGRAM SHALL NOT CHARGE ANY FEE TO AN
17 ENROLLED ELIGIBLE CHILD OR THE CHILD'S PARENTS OR LEGAL GUARDIANS
18 EXCEPT THAT IF PRESCRIPTION DRUG BENEFITS ARE OFFERED A CO-PAY
19 NOT TO EXCEED \$3.00 MAY BE CHARGED. THE PROGRAM SHALL BE FUNDED
20 BY PRIVATE DONATIONS AND PRIVATE AND PUBLIC GRANTS. THE HEALTH
21 CARE CORPORATION MAY PROVIDE FREE OF CHARGE ADMINISTRATIVE SERV-
22 ICES TO THE PROGRAM AS APPROVED BY ITS BOARD OF DIRECTORS AND
23 SUBJECT TO THE COMMISSIONER'S APPROVAL. CHILDREN SHALL BE
24 ENROLLED DEPENDENT ON FUNDING ON A FIRST-COME, FIRST-SERVED BASIS
25 AND WITHOUT REGARD TO HEALTH STATUS.

1 Section 2. This amendatory act shall not take effect unless
2 Senate Bill No. 238
3 of the 86th Legislature is enacted into law.