



HOUSE BILL No. 5980

December 6, 1994, Introduced by Reps Shugars and Jamian and referred to the Committee on Insurance

A bill to amend Act No 350 of the Public Acts of 1980,
entitled as amended

'The nonprofit health care corporation reform act,
as amended, being sections 550 1101 to 550 1704 of the Michigan
Compiled Laws, by adding section 402a

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Act No 350 of the Public Acts of 1980, as
2 amended, being sections 550 1101 to 550 1704 of the Michigan
3 Compiled Laws is amended by adding section 402a to read as
4 follows

5 SEC 402A (1) A HEALTH CARE CORPORATION SHALL INCLUDE IN
6 18-POINT TYPE IN EACH NOTICE OR STATEMENT OF EXPLANATION OF BENE-
7 FITS PROVIDED TO A SUBSCRIBER THE FOLLOWING STATEMENT

8 THE MAXIMUM FEE ALLOWANCE USED TO DETERMINE
9 REIMBURSEMENT OR PAYMENT OF THE AMOUNTS CHARGED

1 BY YOUR HEALTH CARE PROVIDER IS BASED ON FEE
2 DATA THAT WAS LAST REVISED ON [DATE OF LAST
3 REVISION], AND WAS DETERMINED BASED UPON
4 [DESCRIBE SOURCE OF FEE DATA AND TIME PERIOD FOR
5 WHICH DATA WAS COLLECTED]

6 (2) IF THE COMMISSIONER FINDS THAT A HEALTH CARE CORPORATION
7 HAS FAILED TO PROVIDE THE STATEMENT TO A SUBSCRIBER AS REQUIRED
8 UNDER SUBSECTION (1), THE COMMISSIONER MAY ORDER THE HEALTH CARE
9 CORPORATION, AFTER AN OPPORTUNITY FOR A HEARING PURSUANT TO THE
10 ADMINISTRATIVE PROCEDURES ACT, TO PAY A CIVIL FINE OF NOT MORE
11 THAN \$50 00 FOR EACH VIOLATION