



SENATE BILL No. 1240

September 14, 1994, Introduced by Senators MC MANUS and
KOIVISTO and referred to the Committee on Health
Policy and Senior Citizens

A bill to amend Act No 368 of the Public Acts of 1978,
entitled as amended
"Public health code,"
as amended, being sections 333 1101 to 333 25211 of the Michigan
Compiled Laws, by adding section 21032

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Act No 368 of the Public Acts of 1978, as
2 amended, being sections 333 1101 to 333 25211 of the Michigan
3 Compiled Laws, is amended by adding section 21032 to read as
4 follows

5 SEC 21032 (1) SUBJECT TO SUBSECTIONS (2) AND (3), IN
6 ADDITION TO THE INFORMATION REQUIRED UNDER SECTION 21031, AN
7 APPLICANT FOR A HEALTH MAINTENANCE ORGANIZATION LICENSE SHALL
8 FILE WITH THE DEPARTMENT A DESCRIPTION OF THE PROPOSED
9 GEOGRAPHICAL SERVICE AREA OF THE HEALTH MAINTENANCE ORGANIZATION

1 AS DEFINED BY THE BOUNDARIES OF LOCAL GOVERNMENTAL UNITS, FEDERAL
2 CENSUS TRACTS, OR UNITED STATES POSTAL SERVICE ZIP CODES

3 (2) A HEALTH MAINTENANCE ORGANIZATION SHALL NOT HAVE A GEO-
4 GRAPHICAL SERVICE AREA THAT EXCEEDS THE BOUNDARIES OF A CITY OR
5 TOWNSHIP WITHIN THE GEOGRAPHICAL SERVICE AREA IF THE CITY OR
6 TOWNSHIP IS MORE THAN 30 MINUTES' TRAVEL TIME FROM A PRIMARY CARE
7 CENTER AS USED IN THIS SUBSECTION, "PRIMARY CARE CENTER" MEANS
8 THAT TERM AS DEFINED IN R 325 6125 OF THE MICHIGAN ADMINISTRATIVE
9 CODE

10 (3) THE DEPARTMENT SHALL NOT APPROVE AN APPLICATION FOR A
11 HEALTH MAINTENANCE ORGANIZATION LICENSE UNLESS THE DEPARTMENT
12 APPROVES THE GEOGRAPHICAL SERVICE AREA OF THE HEALTH MAINTENANCE
13 ORGANIZATION, AS DESCRIBED IN SUBSECTION (1)