

HOUSE BILL No. 5310

November 13, 2003, Introduced by Reps. Vander Veen, Palmer, Voorhees, Emmons, Robertson, Pastor, Moolenaar, Ward, Nofs, Stahl, Hart, Huizenga, Brandenburg, Hummel, Drolet, Bradstreet, Tabor, Meyer, Pappageorge, Wenke, Sheen, DeRoche, Hune, Shaffer, Steil, Newell, Garfield, Walker, Stakoe and Van Regenmorter and referred to the Committee on Education.

A bill to amend 1984 PA 218, entitled
"Third party administrator act,"
by amending section 34 (MCL 550.934) and by adding section 31.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 31. (1) If the sponsor of a benefit plan is a public
2 school employer, the service contract for the plan shall provide
3 that claims history under the contract shall be made available
4 upon request to the public school employer.

5 (2) Claims history to be provided under subsection (1) shall
6 include all of the following information for the benefit plan on
7 a school district basis for the immediately preceding 12-month
8 period:

9 (a) Total number of individuals covered.

10 (b) Total number of claims paid.

11 (c) Total number of claims pending and the total dollar

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1 amount of those claims.

2 (d) Claims experience data by coverage component.

3 (e) Any other health claims data necessary for the public
4 school employer to obtain competitive bids for other third party
5 administrator services or other health care coverage.

6 (3) Information under subsection (2) shall not disclose
7 personal data that may reveal the identity of a covered
8 individual.

9 (4) As used in this section:

10 (a) "Public school employer" means that term as defined in
11 section 1 of 1947 PA 336, MCL 423.201.

12 (b) "School district" means an intermediate school district,
13 local act school district, public school academy, or school
14 district as those terms are defined in sections 4, 5, and 6 of
15 the revised school code, 1976 PA 451, MCL 380.4, 380.5, and
16 380.6.

17 Sec. 34. (1) A TPA shall provide for the confidentiality of
18 personal data identifying an individual covered by a plan. A TPA
19 shall not disclose records containing personal information that
20 may be associated with an identifiable individual covered by a
21 plan to a person other than the individual to whom the
22 information pertains. Except as is necessary to comply with a
23 court order, an administrator shall not disclose personal data
24 concerning a covered individual without the prior consent of the
25 covered individual. If the individual covered by a plan has
26 authorized the release of information to a third person, the
27 third person shall not release that information unless the

1 individual executes in writing another consent authorizing the
2 additional release.

3 (2) Subsection (1) ~~shall~~ **does** not ~~be construed to~~ apply
4 to information disclosed for any of the following reasons:

5 (a) For claims adjudication.

6 (b) For claims verification.

7 (c) For other proper plan administration.

8 (d) For an audit conducted pursuant to ERISA.

9 (e) To an insurer for the purchase of excess loss insurance
10 and for claims under the excess loss insurance. However, an
11 insurer obtaining information under this subdivision ~~shall be~~
12 **is** subject to the requirements of subsection (1).

13 (f) To the plan or a fiduciary of the plan.

14 (g) To the commissioner. However, information obtained by
15 the commissioner under this subdivision ~~shall be~~ **is** exempt from
16 disclosure under the freedom of information act, ~~Act No. 442 of~~
17 ~~the Public Acts of 1976, being sections 15.231 to 15.246 of the~~
18 ~~Michigan Compiled Laws 1976 PA 442, MCL 15.231 to 15.246.~~

19 (h) **As required by section 31.**

20 (i) ~~(h)~~ As required by law.