

Act No. 238
Public Acts of 1995
Approved by the Governor
December 25, 1995
Filed with the Secretary of State
December 26, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Senators Shugars, Schwarz, Gougeon, Honigman, Steil, McManus, Emmons, Koivisto, Byrum, O'Brien, Stallings and Carl

ENROLLED SENATE BILL No. 709

AN ACT to amend Act No. 350 of the Public Acts of 1980, entitled as amended "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to provide for the imposition of a regulatory fee; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, by adding sections 419, 419a, and 419b.

The People of the State of Michigan enact:

Section 1. Act No. 350 of the Public Acts of 1980, as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, is amended by adding sections 419, 419a, and 419b to read as follows:

Sec. 419. A health care corporation certificate that offers dependent coverage shall not deny enrollment to a subscriber's child on any of the following grounds:

- (a) The child was born out of wedlock.
- (b) The child is not claimed as a dependent on the subscriber's federal income tax return.
- (c) The child does not reside with the subscriber or in the health care corporation's service area.

Sec. 419a. (1) If a parent is eligible for dependent coverage through a health care corporation, the health care corporation shall:

- (a) Permit the parent to enroll, under the dependent coverage, a child who is otherwise eligible for coverage without regard to any enrollment season restrictions.
- (b) If the parent is enrolled but fails to make application to obtain coverage for the child, enroll the child under dependent coverage upon application by the friend of the court or by the child's other parent through the friend of the court.

(c) Not eliminate the child's coverage unless premiums have not been paid as required by the certificate or the health care corporation is provided with satisfactory written evidence of either of the following:

(i) The court or administrative order is no longer in effect.

(ii) The child is or will be enrolled in comparable health coverage through another health care corporation, insurer, health maintenance organization, or self-funded health coverage plan that will take effect not later than the effective date of the cancellation of the existing coverage.

(2) If a child has health coverage through a health care corporation of a noncustodial parent, that health care corporation shall do all of the following:

(a) Provide the custodial parent with information necessary for the child to obtain benefits through that coverage.

(b) Permit the custodial parent or, with the custodial parent's approval, the provider to submit a claim for covered services without the noncustodial parent's approval.

(c) If applicable, reimburse or make payment on claims submitted by the custodial parent or medical provider for services obtained or provided under subdivision (b).

(3) This section applies only if a parent is required by a court or administrative order to provide health coverage for a child and the health care corporation is notified of that court or administrative order.

Sec. 419b. (1) A health care corporation shall not consider whether an individual is eligible for or has available medical assistance under title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396g and 1396i to 1396v, in this or another state when considering eligibility for coverage or making payments under its plan for eligible subscribers.

(2) If a health care corporation has a legal liability to make payments, and payment for covered expenses for medical goods or services furnished to an individual has been made under the medical assistance program established under section 105 of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.105 of the Michigan Compiled Laws, the department of social services has the rights of the individual to payment by the health care corporation to the extent payment was made by the department of social services's medical assistance program for those medical goods or services.

(3) If the department of social services has been assigned the rights of a subscriber who is eligible for medical assistance under section 105 of Act No. 280 of the Public Acts of 1939 and is covered by a health care corporation, the health care corporation shall not impose requirements on the department of social services that are different from requirements that apply to an agent or assignee of any other covered subscriber.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.