



SENATE BILL No. 103

January 17, 1995, Introduced by Senator SHUGARS
and referred to the Committee on Health Policy
and Senior Citizens.

A bill to amend Act No. 218 of the Public Acts of 1984,
entitled
"Third party administrator act,"
being sections 550.901 to 550.962 of the Michigan Compiled Laws,
by adding section 33.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1984, being
2 sections 550.901 to 550.962 of the Michigan Compiled Laws, is
3 amended by adding section 33 to read as follows:

4 SEC. 33. (1) A THIRD PARTY ADMINISTRATOR SHALL INCLUDE IN
5 18-POINT TYPE IN EACH NOTICE OR STATEMENT OF EXPLANATION OF COV-
6 ERAGE OR BENEFITS PROVIDED TO A COVERED INDIVIDUAL THE FOLLOWING
7 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 THIRD PARTY ADMINISTRA-
7 TOR HAS FAILED TO PROVIDE THE STATEMENT TO A COVERED INDIVIDUAL
8 AS REQUIRED UNDER SUBSECTION (1), THE COMMISSIONER MAY ORDER THE
9 THIRD PARTY ADMINISTRATOR, AFTER AN OPPORTUNITY FOR A HEARING
10 PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT
11 NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO
12 24.328 OF THE MICHIGAN COMPILED LAWS, TO PAY A CIVIL FINE OF NOT
13 MORE THAN \$50.00 FOR EACH VIOLATION.