



# SENATE BILL No. 286

February 16, 1995, Introduced by Senator MC MANUS 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).