



SENATE BILL No. 709

September 28, 1995, Introduced by Senators SHUGARS, SCHWARZ, GOUGEON, HONIGMAN, STEIL, MC MANUS, EMMONS, KOIVISTO, BYRUM, O'BRIEN, STALLINGS and CARL and referred to the Committee on Health Policy and Senior Citizens.

A bill to amend Act No. 350 of the Public Acts of 1980, entitled as amended

"The nonprofit health care corporation reform act," 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:

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

5 SEC. 419. A HEALTH CARE CORPORATION CERTIFICATE THAT OFFERS
6 DEPENDENT COVERAGE SHALL NOT DENY ENROLLMENT TO A SUBSCRIBER'S
7 CHILD ON ANY OF THE FOLLOWING GROUNDS:

8 (A) THE CHILD WAS BORN OUT OF WEDLOCK.

1 (B) THE CHILD IS NOT CLAIMED AS A DEPENDENT ON THE
2 SUBSCRIBER'S FEDERAL INCOME TAX RETURN.

3 (C) THE CHILD DOES NOT RESIDE WITH THE SUBSCRIBER OR IN THE
4 HEALTH CARE CORPORATION'S SERVICE AREA.

5 SEC. 419A. (1) IF A PARENT IS ELIGIBLE FOR DEPENDENT COVER-
6 AGE THROUGH A HEALTH CARE CORPORATION, THE HEALTH CARE CORPORA-
7 TION SHALL:

8 (A) PERMIT THE PARENT TO ENROLL, UNDER THE DEPENDENT COVER-
9 AGE, A CHILD WHO IS OTHERWISE ELIGIBLE FOR COVERAGE WITHOUT
10 REGARD TO ANY ENROLLMENT SEASON RESTRICTIONS.

11 (B) IF THE PARENT IS ENROLLED BUT FAILS TO MAKE APPLICATION
12 TO OBTAIN COVERAGE FOR THE CHILD, ENROLL THE CHILD UNDER DEPENDENT
13 COVERAGE UPON APPLICATION BY THE FRIEND OF THE COURT OR BY
14 THE CHILD'S OTHER PARENT THROUGH THE FRIEND OF THE COURT.

15 (C) NOT ELIMINATE THE CHILD'S COVERAGE UNLESS PREMIUMS HAVE
16 NOT BEEN PAID AS REQUIRED BY THE CERTIFICATE OR THE HEALTH CARE
17 CORPORATION IS PROVIDED WITH SATISFACTORY WRITTEN EVIDENCE OF
18 EITHER OF THE FOLLOWING:

19 (i) THE COURT OR ADMINISTRATIVE ORDER IS NO LONGER IN
20 EFFECT.

21 (ii) THE CHILD IS OR WILL BE ENROLLED IN COMPARABLE HEALTH
22 COVERAGE THROUGH ANOTHER HEALTH CARE CORPORATION, INSURER, HEALTH
23 MAINTENANCE ORGANIZATION, OR SELF-FUNDED HEALTH COVERAGE PLAN
24 THAT WILL TAKE EFFECT NOT LATER THAN THE EFFECTIVE DATE OF THE
25 CANCELLATION OF THE EXISTING COVERAGE.

1 (2) IF A CHILD HAS HEALTH COVERAGE THROUGH A HEALTH CARE
2 CORPORATION OF A NONCUSTODIAL PARENT, THAT HEALTH CARE
3 CORPORATION SHALL DO ALL OF THE FOLLOWING:

4 (A) PROVIDE THE CUSTODIAL PARENT WITH INFORMATION NECESSARY
5 FOR THE CHILD TO OBTAIN BENEFITS THROUGH THAT COVERAGE.

6 (B) PERMIT THE CUSTODIAL PARENT OR, WITH THE CUSTODIAL
7 PARENT'S APPROVAL, THE PROVIDER TO SUBMIT A CLAIM FOR COVERED
8 SERVICES WITHOUT THE NONCUSTODIAL PARENT'S APPROVAL.

9 (C) IF APPLICABLE, REIMBURSE OR MAKE PAYMENT ON CLAIMS SUB-
10 MITTED BY THE CUSTODIAL PARENT OR MEDICAL PROVIDER FOR SERVICES
11 OBTAINED OR PROVIDED UNDER SUBDIVISION (B).

12 (3) THIS SECTION APPLIES ONLY IF A PARENT IS REQUIRED BY A
13 COURT OR ADMINISTRATIVE ORDER TO PROVIDE HEALTH COVERAGE FOR A
14 CHILD AND THE HEALTH CARE CORPORATION IS NOTIFIED OF THAT COURT
15 OR ADMINISTRATIVE ORDER.

16 SEC. 419B. (1) A HEALTH CARE CORPORATION SHALL NOT CONSIDER
17 WHETHER AN INDIVIDUAL IS ELIGIBLE FOR OR HAS AVAILABLE MEDICAL
18 ASSISTANCE UNDER TITLE XIX OF THE SOCIAL SECURITY ACT, CHAPTER
19 531, 49 STAT. 620, 42 U.S.C. 1396 TO 1396g AND 1396i TO 1396v, IN
20 THIS OR ANOTHER STATE WHEN CONSIDERING ELIGIBILITY FOR COVERAGE
21 OR MAKING PAYMENTS UNDER ITS PLAN FOR ELIGIBLE SUBSCRIBERS.

22 (2) IF A HEALTH CARE CORPORATION HAS A LEGAL LIABILITY TO
23 MAKE PAYMENTS, AND PAYMENT FOR COVERED EXPENSES FOR MEDICAL GOODS
24 OR SERVICES FURNISHED TO AN INDIVIDUAL HAS BEEN MADE UNDER THE
25 MEDICAL ASSISTANCE PROGRAM ESTABLISHED UNDER SECTION 105 OF THE
26 SOCIAL WELFARE ACT, ACT NO. 280 OF THE PUBLIC ACTS OF 1939, BEING
27 SECTION 400.105 OF THE MICHIGAN COMPILED LAWS, THE DEPARTMENT OF

1 SOCIAL SERVICES HAS THE RIGHTS OF THE INDIVIDUAL TO PAYMENT BY
2 THE HEALTH CARE CORPORATION TO THE EXTENT PAYMENT WAS MADE BY THE
3 DEPARTMENT OF SOCIAL SERVICES'S MEDICAL ASSISTANCE PROGRAM FOR
4 THOSE MEDICAL GOODS OR SERVICES.

5 (3) IF THE DEPARTMENT OF SOCIAL SERVICES HAS BEEN ASSIGNED
6 THE RIGHTS OF A SUBSCRIBER WHO IS ELIGIBLE FOR MEDICAL ASSISTANCE
7 UNDER SECTION 105 OF ACT NO. 280 OF THE PUBLIC ACTS OF 1939 AND
8 IS COVERED BY A HEALTH CARE CORPORATION, THE HEALTH CARE CORPORA-
9 TION SHALL NOT IMPOSE REQUIREMENTS ON THE DEPARTMENT OF SOCIAL
10 SERVICES THAT ARE DIFFERENT FROM REQUIREMENTS THAT APPLY TO AN
11 AGENT OR ASSIGNEE OF ANY OTHER COVERED SUBSCRIBER.