

**SENATE BILL NO. 1031**

March 24, 1998, Introduced by Senators BULLARD and CISKY  
and referred to the Committee on Health Policy and Senior  
Citizens.

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
(MCL 333.1101 to 333.25211) by adding section 21053d.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 21053D. (1) IF AN EMPLOYER, ASSOCIATION, OR OTHER PRI-  
2 VATE GROUP ARRANGEMENT OFFERS HEALTH BENEFIT PLAN COVERAGE TO  
3 EMPLOYEES OR INDIVIDUALS ONLY THROUGH A HEALTH MAINTENANCE ORGAN-  
4 IZATION, THE HEALTH MAINTENANCE ORGANIZATION WITH WHICH THE  
5 EMPLOYER, ASSOCIATION, OR GROUP IS CONTRACTING FOR THE COVERAGE  
6 SHALL OFFER, OR CONTRACT WITH ANOTHER CARRIER TO OFFER, A POINT  
7 OF SERVICE OPTION TO THE EMPLOYER, ASSOCIATION, OR GROUP.  
8           (2) AN EMPLOYER, ASSOCIATION, OR OTHER PRIVATE GROUP  
9 ARRANGEMENT MAY REQUIRE AN EMPLOYEE OR INDIVIDUAL THAT ACCEPTS  
10 THE POINT OF SERVICE OPTION UNDER THIS SECTION TO BE RESPONSIBLE

1 FOR ANY PAYMENT OF PREMIUM OVER THE AMOUNT OF PREMIUM FOR  
2 COVERAGE BY THE HEALTH MAINTENANCE ORGANIZATION.

3 (3) A HEALTH MAINTENANCE ORGANIZATION OR CARRIER MAY IMPOSE  
4 DIFFERENT COST SHARING PROVISIONS FOR THE POINT OF SERVICE OPTION  
5 UNDER THIS SECTION BASED ON WHETHER THE SERVICE IS PROVIDED  
6 THROUGH OR OUTSIDE OF THE HEALTH MAINTENANCE ORGANIZATION'S PRO-  
7 VIDER PANEL.

8 (4) AS USED IN THIS SECTION:

9 (A) "POINT OF SERVICE OPTION" MEANS A DELIVERY SYSTEM THAT  
10 PERMITS A HEALTH MAINTENANCE ORGANIZATION ENROLLEE TO RECEIVE  
11 SERVICES OUTSIDE THE HEALTH MAINTENANCE ORGANIZATION PROVIDER  
12 PANEL UNDER THE TERMS AND CONDITIONS OF THE ENROLLEE'S CONTRACT  
13 WITH THE HEALTH MAINTENANCE ORGANIZATION.

14 (B) "PROVIDER PANEL" MEANS THOSE PROVIDERS WITH WHICH A  
15 HEALTH MAINTENANCE ORGANIZATION CONTRACTS TO PROVIDE SERVICES TO  
16 THE HEALTH MAINTENANCE ORGANIZATION'S ENROLLEES UNDER THE HEALTH  
17 MAINTENANCE ORGANIZATION'S CONTRACT.