

HOUSE BILL No. 5536

December 13, 2001, Introduced by Rep. Kolb and referred to the Committee on Health Policy.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3501 (MCL 500.3501), as added by 2000 PA
252.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3501. As used in this chapter:

2 (a) "Affiliated provider" means a health professional,
3 licensed hospital, licensed pharmacy, or any other institution,
4 organization, or person having a contract with a health mainte-
5 nance organization to render 1 or more health maintenance serv-
6 ices to an enrollee.

7 (b) "Basic health services" means:

8 (i) Physician services including consultant and referral
9 services by a physician, but not including psychiatric services.

1 (ii) Ambulatory services.

2 (iii) Inpatient hospital services, other than those for the
3 treatment of mental illness.

4 (iv) Emergency health services.

5 (v) Outpatient mental health services, not fewer than 20
6 visits per year.

7 (vi) Intermediate and outpatient care for substance abuse as
8 follows:

9 (A) For group contracts, if the fees for a group contract
10 would be increased by 3% or more because of the provision of
11 services under this subparagraph, the group subscriber may
12 decline the services. For individual contracts, if the total
13 fees for all individual contracts would be increased by 3% or
14 more because of the provision of the services required under this
15 subparagraph in all of those contracts, the named subscriber of
16 each contract may decline the services.

17 (B) Charges, terms, and conditions for the services required
18 to be provided under this subparagraph shall not be less favor-
19 able than the maximum prescribed for any other comparable
20 service.

21 (C) The services required to be provided under this subpara-
22 graph shall not be reduced by terms or conditions that apply to
23 other services in a group or individual contract. This
24 sub-subparagraph shall not be construed to prohibit contracts
25 that provide for deductibles and copayment provisions for serv-
26 ices for intermediate and outpatient care for substance abuse.

1 (D) The services required to be provided under this
2 subparagraph shall, at a minimum, provide for up to \$2,968.00 in
3 services for intermediate and outpatient care for substance abuse
4 per individual per year. This minimum shall be adjusted annually
5 by March 31 each year in accordance with the annual average per-
6 centage increase or decrease in the United States consumer price
7 index for the 12-month period ending the preceding December 31.

8 (E) As used in this subparagraph, "intermediate care",
9 "outpatient care", and "substance abuse" have those meanings
10 ~~ascribed to them~~ AS DEFINED in section 3425.

11 (vii) Diagnostic laboratory and diagnostic and therapeutic
12 radiological services.

13 (viii) Home health services.

14 (ix) Preventive health services.

15 (X) OTHER HEALTH SERVICES IF CONSIDERED MEDICALLY NECESSARY
16 BY THE TREATING PHYSICIAN.

17 (c) "Credentialing verification" means the process of
18 obtaining and verifying information about a health professional
19 and evaluating that health professional when that health profes-
20 sional applies to become a participating provider with a health
21 maintenance organization.

22 (d) "Enrollee" means an individual who is entitled to
23 receive health maintenance services under a health maintenance
24 contract.

25 (e) "Health maintenance contract" means a contract between a
26 health maintenance organization and a subscriber or group of
27 subscribers, to provide, when medically indicated, designated

1 health maintenance services, as described in and pursuant to the
2 terms of the contract, including, at a minimum, basic health
3 maintenance services. Health maintenance contract includes a
4 prudent purchaser contract.

5 (f) "Health maintenance organization" means an entity that
6 does the following:

7 (i) Delivers health maintenance services that are medically
8 indicated to enrollees under the terms of its health maintenance
9 contract, directly or through contracts with affiliated provid-
10 ers, in exchange for a fixed prepaid sum or per capita prepay-
11 ment, without regard to the frequency, extent, or kind of health
12 services.

13 (ii) Is responsible for the availability, accessibility, and
14 quality of the health maintenance services provided.

15 (g) "Health maintenance services" means services provided to
16 enrollees of a health maintenance organization under their health
17 maintenance contract.

18 (h) "Health professional" means an individual licensed, cer-
19 tified, or authorized in accordance with state law to practice a
20 health profession in his or her respective state.

21 (i) "Primary verification" means verification by the health
22 maintenance organization of a health professional's credentials
23 based upon evidence obtained from the issuing source of the
24 credential.

25 (j) "Prudent purchaser contract" means a contract offered by
26 a health maintenance organization to groups or to individuals
27 under which enrollees who select to obtain health care services

1 directly from the organization or through its affiliated
2 providers receive a financial advantage or other advantage by
3 selecting those providers.

4 (k) "Secondary verification" means verification by the
5 health maintenance organization of a health professional's cre-
6 dentials based upon evidence obtained by means other than direct
7 contact with the issuing source of the credential.

8 (l) "Service area" means a defined geographical area in
9 which health maintenance services are generally available and
10 readily accessible to enrollees and where health maintenance
11 organizations may market their contracts.

12 (m) "Subscriber" means an individual who enters into a
13 health maintenance contract, or on whose behalf a health mainte-
14 nance contract is entered into, with a health maintenance organi-
15 zation that has received a certificate of authority under this
16 chapter and to whom a health maintenance contract is issued.