SHARING HEALTH CARE INFORMATION
Act 593 of 2006

AN ACT to provide for the sharing of certain health care coverage information; to provide for the powers and duties of certain departments and agencies; and to provide penalties and fines.

History: 2006, Act 593, Imd. Eff. Jan. 3, 2007.

The People of the State of Michigan enact:

550.281 Definitions.

Sec. 1. As used in this act:

(a) "Department" means the department of community health.

(b) "Entity" means a health insurer; a health maintenance organization; a nonprofit health care corporation; a managed care corporation; a preferred provider organization; an organization operating pursuant to the prudent purchaser act, 1984 PA 233, MCL 550.51 to 550.63; a self-funded health plan; a professional association, trust, pool, union, or fraternal group, offering health coverage; a system of health care delivery and financing operating pursuant to section 3573 of the insurance code of 1956, 1956 PA 218, MCL 500.3573; and a third party administrator.

(c) "Medical assistance" means the medical assistance program administered by the state under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(d) "Qualified health plan" means that term as defined in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i.

History: 2006, Act 593, Imd. Eff. Jan. 3, 2007.

550.283 Determination that health coverage recipient is also medical assistance recipient; information to be provided by health insurer.

Sec. 3. (1) An entity shall provide on a monthly basis to the department, in a format determined by the department, information necessary to enable the department or entity to determine whether a health coverage recipient of the entity is also a medical assistance recipient.

(2) If a health coverage recipient of the entity is also a medical assistance recipient, the entity shall do all of the following by not later than 180 days after the department's request:

(a) Pay the department for, or assign to the department any right of recovery owed to the entity for, a covered health claim for which medical assistance payment has been made.

(b) Respond to any inquiry by the department concerning a claim for payment for any health care item or service that is submitted not later than 3 years after the date the health care item or service was provided.

(3) An entity shall not deny a claim submitted by the department solely on the basis of the date of submission of the claim, the type or format of the claim form, or a failure to present proper documentation at the time the health care item or service that is the basis of the claim was provided so long as both of the following apply:

(a) The claim is submitted to the entity within 3 years of the date that the health care item or service that is the subject of the claim was provided.

(b) Any action by the state to enforce its rights under this subdivision is commenced within 6 years of the date that the health care item or service that is the subject of the claim was provided.

History: 2006, Act 593, Imd. Eff. Jan. 3, 2007.

550.285 Determination that health coverage recipient is also medical assistance recipient; actions by department.

Sec. 5. If the department determines that a health coverage recipient is also a medical assistance recipient:

(a) The department may use information received under section 3 to update the medical assistance database maintained by the department.

(b) If the medical assistance recipient is covered by a qualified health plan, the department shall share with that qualified health plan all information received under this act by the department for that medical assistance recipient.

History: 2006, Act 593, Imd. Eff. Jan. 3, 2007.

550.287 Violation of act; administrative fine; notice; right to hearing.

Sec. 7. An entity that violates this act is subject to an administrative fine of not more than $500.00 for each day the entity does not comply with section 3(1) or with a request for information made pursuant to section

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3(2). Upon the department's determination that a violation of this act has occurred, the entity has a right to notice of the alleged violation and an opportunity for a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 2006, Act 593, Imd. Eff. Jan. 3, 2007.

550.289 Rules.

Sec. 9. The department may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, necessary to implement this act. Rules governing the exchange of information under this act shall be consistent with all laws, regulations, and rules relating to the confidentiality or privacy of personal information or medical records, including, but not limited to, the health insurance portability and accountability act of 1996, Public Law 104-191, and regulations promulgated under that act, 45 CFR parts 160 to 164.

History: 2006, Act 593, Imd. Eff. Jan. 3, 2007.

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