



SENATE BILL No. 475

March 9, 1993, Introduced by Senator SCHWARZ and referred to the Committee on Health Policy.

A bill to amend sections 2243, 2477, 2477b, 2477c, 3107, 3405, 3475, 3631, and 3709 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

section 2477 as amended and sections 2477b and 2477c as added by Act No. 173 of the Public Acts of 1986, section 3107 as amended by Act No. 191 of the Public Acts of 1991, sections 3405, 3631, and 3709 as amended by Act No. 137 of the Public Acts of 1989, and section 3475 as amended by Act No. 280 of the Public Acts of 1984, being sections 500.2243, 500.2477, 500.2477b, 500.2477c, 500.3107, 500.3405, 500.3475, 500.3631, and 500.3709 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2243, 2477, 2477b, 2477c, 3107, 3405,
2 3475, 3631, and 3709 of Act No. 218 of the Public Acts of 1956,

1 section 2477 as amended and sections 2477b and 2477c as added by
2 Act No. 173 of the Public Acts of 1986, section 3107 as amended
3 by Act No. 191 of the Public Acts of 1991, sections 3405, 3631,
4 and 3709 as amended by Act No. 137 of the Public Acts of 1989,
5 and section 3475 as amended by Act No. 280 of the Public Acts of
6 1984, being sections 500.2243, 500.2477, 500.2477b, 500.2477c,
7 500.3107, 500.3405, 500.3475, 500.3631, and 500.3709 of the
8 Michigan Compiled Laws, are amended to read as follows:

9 Sec. 2243. (1) Notwithstanding any provision of a policy or
10 contract of group accident, group health, or group accident and
11 health insurance, executed ~~subsequently to the effective date of~~
12 ~~this provision, whenever such~~ AFTER JULY 23, 1965, IF THE policy
13 or contract provides for reimbursement for any optometric service
14 ~~which~~ THAT is within the lawful scope of practice of a duly
15 licensed optometrist, a subscriber to such group accident, group
16 health, or group accident and group health insurance policy or
17 contract shall be entitled to reimbursement for such service,
18 whether the ~~said~~ service is performed by a physician or a duly
19 licensed optometrist. Unless ~~such~~ THE policy or contract of
20 group accident, ~~or~~ group health, or group accident and health
21 insurance ~~shall~~ otherwise ~~provide~~ PROVIDES, there shall be no
22 reimbursement for ophthalmic materials, lenses, spectacles,
23 eyeglasses, or appurtenances.

24 (2) ~~Whenever~~ IF a subscriber contract ~~shall provide~~
25 PROVIDES for and ~~offer~~ OFFERS optometric services, the sub-
26 scriber shall have freedom of choice to select either a physician
27 or an optometrist to render ~~such~~ THE services. Unless ~~such~~

1 THE subscriber contract ~~shall~~ otherwise ~~provide~~ PROVIDES,
2 there shall be no reimbursement for ophthalmic materials, lenses,
3 spectacles, eyeglasses, or appurtenances.

4 (3) THIS SECTION DOES NOT REQUIRE COVERAGE OR REIMBURSEMENT
5 FOR PRACTICE OF OPTOMETRIC SERVICE UNLESS THAT SERVICE WAS
6 INCLUDED IN THE DEFINITION OF PRACTICE OF OPTOMETRY UNDER
7 SECTION 1740 OF THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC
8 ACTS OF 1978, BEING SECTION 333.17401 OF THE MICHIGAN COMPILED
9 LAWS, AS OF MAY 20, 1992.

10 Sec. 2477. (1) Every insurer providing professional liabil-
11 ity insurance to a person licensed by the Michigan board of medi-
12 cine, the Michigan board of osteopathic medicine and surgery, the
13 Michigan board of podiatric medicine and surgery, the Michigan
14 board of dentistry, THE MICHIGAN BOARD OF CHIROPRACTIC, THE
15 MICHIGAN BOARD OF OPTOMETRY, and the hospitals licensed by the
16 state department of public health in this state shall submit the
17 ~~following~~ data PRESCRIBED IN THIS SECTION at the times pre-
18 scribed to the state insurance commissioner. All data shall be
19 provided with respect to any complaint filed against ~~such~~ THE
20 insured in any court, if the complaint seeks damages for personal
21 injury claimed to have been caused by the negligence of the
22 insured relating to the insured's professional services, or the
23 performance of professional services by the insured without con-
24 sent or informed consent, or a breach of warranty or contract for
25 a medical result relating to the insured's professional
26 services.

1 (2) The following data and information shall be furnished to
2 the commissioner within 30 days of the filing of an answer on
3 behalf of the insured:

4 (a) The name and license number of ~~such~~ THE insured.

5 (b) The date of the injury.

6 (c) The date of the filing of the complaint.

7 (d) The nature of the complaint.

8 (e) Any other information the commissioner may require.

9 (3) The following data and information shall be furnished to
10 the commissioner, the appropriate licensing board in the depart-
11 ment of ~~licensing and regulation~~ COMMERCE, and, if the insured
12 or person is a hospital, to the state department of public health
13 within 30 days from any judgment, settlement, or other dismissal
14 involving the insured:

15 (a) The date of any judgment, settlement, or other
16 dismissal.

17 (b) The amount of any judgment against the insured.

18 (c) The amount of any settlement paid on behalf of the
19 insured, whether ~~such~~ THE settlement was negotiated by suit or
20 without the filing of a complaint for damages.

21 (d) Of the amounts provided in subdivisions (b) and (c), the
22 amount attributable to economic damages and the amount attribut-
23 able to noneconomic damages.

24 (e) Any other information the commissioner may require.

25 (4) The insurance commissioner, the licensing board, and the
26 department of public health shall retain the information and
27 maintain the files in the form and for a period as he or she

1 shall determine necessary in his or her sole discretion. The
2 commissioner, the licensing board, and the department of public
3 health shall maintain the data and information filed in accord-
4 ance with this section as confidential records and shall not
5 release the data and information except for bona fide research,
6 educational, licensing, actuarial, department of social services
7 subrogation, or legislative purposes; however, the name of the
8 insurer shall be omitted. The commissioner, the chairperson of
9 the licensing board, and the director of public health in his or
10 her sole discretion shall determine the validity of any request
11 for the information.

12 (5) There ~~shall be~~ IS no liability on the part of and a
13 cause of action of any nature shall not arise against an insurer
14 reporting hereunder or its agents or employees, or the commis-
15 sioner or his or her representatives, for any action taken by
16 them pursuant to this section.

17 Sec. 2477b. (1) Every person, other than an insurer, who
18 pays or who has assumed liability to pay a municipal liability
19 claim arising in this state or a professional liability claim
20 against a health care provider licensed by the Michigan board of
21 medicine, the Michigan board of osteopathic medicine and surgery,
22 the Michigan board of podiatric medicine and surgery, ~~or~~ the
23 Michigan board of dentistry, THE MICHIGAN BOARD OF CHIROPRACTIC,
24 OR THE MICHIGAN BOARD OF OPTOMETRY, shall submit the data pre-
25 scribed in this section at the times prescribed in this section.

1 (2) The following data shall be furnished to the
2 commissioner pursuant to subsection (1) within 30 days after an
3 answer is filed on behalf of a defendant:

4 (a) The name of the person against whom the claim was made
5 and the person's professional license number, if any.

6 (b) The date of the injury.

7 (c) The date of the filing of the complaint.

8 (d) The nature of the complaint.

9 (e) Any other information the commissioner may require.

10 (3) The following data shall be furnished to the commis-
11 sioner within 30 days after any judgment, settlement, or dis-
12 missal of a claim described in subsection (1):

13 (a) The name of the person against whom the claim was made,
14 and the person's professional license number, if any.

15 (b) The name of the person who paid the claim, if different
16 from subdivision (a).

17 (c) The date of the injury.

18 (d) The date of the filing of the complaint, if any.

19 (e) The nature of the complaint.

20 (f) The amount of any judgment.

21 (g) The amount of any settlement, whether negotiated pursu-
22 ant to an action or without the filing of a complaint for
23 damages.

24 (h) Of the amounts provided in subdivisions (f) and (g), the
25 amount attributable to economic damages and noneconomic damages.

26 (i) Any other information the commissioner may require.

1 (4) The insurance commissioner shall retain the information
2 and maintain the files in the form and for a period as he or she
3 shall determine necessary in his or her sole discretion. The
4 commissioner shall maintain the data and information filed in
5 accordance with this section as confidential records. The com-
6 missioner shall not release the data and information filed in
7 accordance with this section except for bona fide research, edu-
8 cational, licensing, actuarial, department of social services
9 subrogation, or legislative purposes. However, the commissioner
10 shall not release the name of any person that is part of the data
11 and information filed in accordance with this section. The com-
12 missioner in his or her sole discretion shall determine the
13 validity of any request for the information.

14 (5) There ~~shall be~~ IS no liability on the part of, and a
15 cause of action of any nature shall not arise against, a person
16 reporting hereunder or its agents or employees, or the commis-
17 sioner or his or her representatives, for any action taken by
18 them pursuant to this section.

19 Sec. 2477c. (1) Every attorney licensed to practice law in
20 this state who represents a plaintiff or defendant in regard to a
21 municipal liability claim arising in this state or a professional
22 liability claim against a health care provider licensed by the
23 Michigan board of medicine, the Michigan board of osteopathic
24 medicine and surgery, the Michigan board of podiatric medicine
25 and surgery, ~~or~~ the Michigan board of dentistry, THE MICHIGAN
26 BOARD OF CHIROPRACTIC, OR THE MICHIGAN BOARD OF OPTOMETRY, shall

1 submit the data prescribed in this section at the times
2 prescribed in this section.

3 (2) The following data shall be furnished to the commis-
4 sioner pursuant to subsection (1) within 30 days after an answer
5 is filed on behalf of a plaintiff or defendant:

6 (a) The name of the plaintiff or defendant.

7 (b) The name of the attorney.

8 (c) The date of the injury.

9 (d) The date of the filing of the complaint, if any.

10 (e) The nature of the complaint.

11 (f) Any other information the commissioner may require.

12 (3) The following data shall be furnished to the commis-
13 sioner within 30 days after any judgment, settlement, or dis-
14 missal of a claim described in subsection (1):

15 (a) The name of the plaintiff or defendant.

16 (b) The name of the attorney.

17 (c) The date of the injury.

18 (d) The date of the filing of the complaint, if any.

19 (e) The nature of the complaint.

20 (f) The amount of any judgment.

21 (g) The amount of any settlement, whether negotiated pursu-
22 ant to an action or without the filing of a complaint for
23 damages.

24 (h) Of the amounts provided in subdivisions (f) and (g), the
25 amount attributable to economic damages and noneconomic damages.

26 (i) Any other information the commissioner may require.

1 (4) The insurance commissioner shall retain the information
2 and maintain the files in the form and for a period as he or she
3 shall determine necessary in his or her sole discretion. The
4 commissioner shall maintain the data and information filed in
5 accordance with this section as confidential records and shall
6 not release the data and information except for bona fide
7 research, educational, licensing, actuarial, department of social
8 services subrogation, or legislative purposes. However, the com-
9 missioner shall not release the name of any person that is part
10 of the data and information filed in accordance with this
11 section. The commissioner in his or her sole discretion shall
12 determine the validity of any request for the information.

13 (5) There ~~shall be~~ IS no liability on the part of, and a
14 cause of action of any nature shall not arise against, an attor-
15 ney reporting hereunder or the attorney's agents or employees, or
16 the commissioner or his or her representatives, for any action
17 taken by them pursuant to this section.

18 Sec. 3107. (1) Except as provided in subsection (2), per-
19 sonal protection insurance benefits are payable for the
20 following:

21 (a) Allowable expenses consisting of all reasonable charges
22 incurred for reasonably necessary products, services, and accom-
23 modations for an injured person's care, recovery, or
24 rehabilitation. Allowable expenses within personal protection
25 insurance coverage shall not include ~~charges~~ ANY OF THE
26 FOLLOWING:

1 (A) CHARGES for a hospital room in excess of a reasonable
2 and customary charge for semiprivate accommodations except if the
3 injured person requires special or intensive care. ~~—er—~~

4 (B) CHARGES for funeral and burial expenses in EXCESS OF the
5 amount set forth in the policy which shall not be less than
6 \$1,750.00 or more than \$5,000.00.

7 (C) CHARGES FOR A PRACTICE OF CHIROPRACTIC SERVICE UNLESS
8 THAT SERVICE WAS INCLUDED IN THE DEFINITION OF PRACTICE OF CHIRO-
9 PRACTIC UNDER SECTION 16401 OF THE PUBLIC HEALTH CODE, ACT
10 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.16401 OF
11 THE MICHIGAN COMPILED LAWS, AS OF MAY 20, 1992.

12 (D) CHARGES FOR A PRACTICE OF OPTOMETRIC SERVICE UNLESS THAT
13 SERVICE WAS INCLUDED IN THE DEFINITION OF PRACTICE OF OPTOMETRY
14 UNDER SECTION 17401 OF ACT NO. 368 OF THE PUBLIC ACTS OF 1978,
15 BEING SECTION 333.17401 OF THE MICHIGAN COMPILED LAWS, AS OF MAY
16 20, 1992.

17 (E) ~~(b)~~ Work loss consisting of loss of income from work
18 an injured person would have performed during the first 3 years
19 after the date of the accident if he or she had not been
20 injured. Work loss does not include any loss after the date on
21 which the injured person dies. Because the benefits received
22 from personal protection insurance for loss of income are not
23 taxable income, the benefits payable for such loss of income
24 shall be reduced 15% unless the claimant presents to the insurer
25 in support of his or her claim reasonable proof of a lower value
26 of the income tax advantage in his or her case, in which case the
27 lower value shall apply. Beginning March 30, 1973, the benefits

1 payable for work loss sustained in a single 30-day period and the
2 income earned by an injured person for work during the same
3 period together shall not exceed \$1,000.00, which maximum shall
4 apply pro rata to any lesser period of work loss. Beginning
5 October 1, 1974, the maximum shall be adjusted annually to
6 reflect changes in the cost of living under rules prescribed by
7 the commissioner but any change in the maximum shall apply only
8 to benefits arising out of accidents occurring subsequent to the
9 date of change in the maximum.

10 (F) ~~(e)~~ Expenses not exceeding \$20.00 per day, reasonably
11 incurred in obtaining ordinary and necessary services in lieu of
12 those that, if he or she had not been injured, an injured person
13 would have performed during the first 3 years after the date of
14 the accident, not for income but for the benefit of himself or
15 herself or of his or her dependent.

16 (2) A person who is 60 years of age or older and in the
17 event of an accidental bodily injury would not be eligible to
18 receive work loss benefits under subsection (1)(b) may waive cov-
19 erage for work loss benefits by signing a waiver on a form pro-
20 vided by the insurer. An insurer shall offer a reduced premium
21 rate to a person who waives coverage under this subsection for
22 work loss benefits. Waiver of coverage for work loss benefits
23 applies only to work loss benefits payable to the person or per-
24 sons who have signed the waiver form.

25 Sec. 3405. (1) For the purpose of doing business as an
26 organization under the prudent purchaser act, Act No. 233 of the
27 Public Acts of 1984, being sections 550.51 to 550.63 of the

1 Michigan Compiled Laws, an insurer authorized in this state to
2 write disability insurance ~~which~~ THAT provides coverage for
3 hospital, nursing, medical, surgical, or sick-care benefits may
4 enter into prudent purchaser agreements with providers of hospi-
5 tal, nursing, medical, surgical, or sick-care services pursuant
6 to this section and Act No. 233 of the Public Acts of 1984.

7 (2) An insurer may offer disability insurance policies under
8 which the insured persons shall be required, as a condition of
9 coverage, to obtain hospital, nursing, medical, surgical, or
10 sick-care services exclusively from health care providers who
11 have entered into prudent purchaser agreements. A person to whom
12 such a policy is offered shall also be offered a policy ~~which~~
13 THAT:

14 (a) Does not, as a condition of coverage, require insured
15 persons to obtain services exclusively from health care providers
16 who have entered into prudent purchaser agreements.

17 (b) Does not give a financial advantage or other advantage
18 to an insured person who elects to obtain services from health
19 care providers who have entered into prudent purchaser
20 agreements.

21 (3) An insurer may offer disability insurance policies under
22 which insured persons who elect to obtain hospital, nursing, med-
23 ical, surgical, or sick-care services from health care providers
24 who have entered into prudent purchaser agreements shall realize
25 a financial advantage or other advantage by selecting such
26 providers. Policies offered pursuant to this subsection shall
27 not, as a condition of coverage, require insured persons to

1 obtain such services exclusively from health care providers who
2 have entered into prudent purchaser agreements. A person to whom
3 such a policy is offered shall also be offered a policy ~~which~~

4 THAT:

5 (a) Does not, as a condition of coverage, require insured
6 persons to obtain services exclusively from health care providers
7 who have entered into prudent purchaser agreements.

8 (b) Does not give a financial advantage or other advantage
9 to an insured person who elects to obtain services from health
10 care providers who have entered into prudent purchaser
11 agreements.

12 (4) The rates charged by an insurer for coverage under poli-
13 cies issued under this section shall not be unreasonably lower
14 than what is necessary to meet the expenses of the insurer for
15 providing this coverage and shall not have an anticompetitive
16 effect or result in predatory pricing in relation to prudent pur-
17 chaser agreement coverages offered by other organizations.

18 (5) An insurer shall not discriminate against a class of
19 health care providers when entering into prudent purchaser agree-
20 ments with health care providers for its provider panel. This
21 subsection shall not be construed to:

22 (a) Prohibit the formation of a provider panel consisting of
23 a single class of providers when a service provided for in the
24 specifications of a purchaser may legally be provided only by a
25 single class of providers.

26 (b) Prohibit the formation of a provider panel ~~which~~ THAT
27 conforms to the specifications of a purchaser of the coverage

1 authorized by this section so long as the specifications do not
2 exclude any class of health care providers who may legally per-
3 form the services included in the coverage.

4 (c) Require an organization ~~which~~ THAT has uniformly
5 applied the standards filed pursuant to section 3(3) of Act
6 No. 233 of the Public Acts of 1984, being section 550.53 of the
7 Michigan Compiled Laws, to contract with any individual
8 provider.

9 (D) REQUIRE COVERAGE OR REIMBURSEMENT FOR A PRACTICE OF CHI-
10 ROPRACTIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE DEFINI-
11 TION OF PRACTICE OF CHIROPRACTIC UNDER SECTION 16401 OF THE
12 PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING
13 SECTION 333.16401 OF THE MICHIGAN COMPILED LAWS, AS OF MAY 20,
14 1992.

15 (E) REQUIRE COVERAGE OR REIMBURSEMENT FOR A PRACTICE OF
16 OPTOMETRIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE DEFINI-
17 TION OF PRACTICE OF OPTOMETRY UNDER SECTION 17401 OF ACT
18 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.17401 OF
19 THE MICHIGAN COMPILED LAWS, AS OF MAY 20, 1992.

20 (6) Nothing in this 1984 amendatory act shall apply to any
21 contract ~~which~~ THAT is in existence before December 20, 1984,
22 or the renewal of such contract.

23 Sec. 3475. Notwithstanding any provision of any policy of
24 insurance or certificate, if an insurance policy or certificate
25 provides for reimbursement for any service ~~which~~ THAT may be
26 legally performed by a person fully licensed as a psychologist
27 under part 182 of the public health code, Act No. 368 of the

1 Public Acts of 1978, being sections 333.18201 to 333.18237 of the
2 Michigan Compiled Laws; by a podiatrist licensed under part 180
3 of the public health code, Act No. 368 of the Public Acts of
4 1978, being sections 333.18001 to 333.18033 of the Michigan
5 Compiled Laws; OR by a chiropractor licensed under part 164 of
6 the public health code, Act No. 368 of the Public Acts of 1978,
7 being sections 333.16401 to 333.16431 of the Michigan Compiled
8 Laws; reimbursement under the insurance policy or certificate
9 shall not be denied if the service is rendered by a person fully
10 licensed as a psychologist under part 182 of ~~the public health~~
11 ~~code,~~ Act No. 368 of the Public Acts of 1978; by a podiatrist
12 licensed under part 180 of ~~the public health code,~~ Act No. 368
13 of the Public Acts of 1978; or by a chiropractor licensed under
14 part 164 of ~~the public health code,~~ Act No. 368 of the Public
15 Acts of 1978; within the statutory provisions provided in his or
16 her individual practice act. This section ~~shall not be con-~~
17 ~~strued as requiring the~~ DOES NOT REQUIRE coverage for a psychol-
18 ogist in any insurance policy AND DOES NOT REQUIRE COVERAGE OR
19 REIMBURSEMENT FOR A PRACTICE OF CHIROPRACTIC SERVICE UNLESS THAT
20 SERVICE WAS INCLUDED IN THE DEFINITION OF PRACTICE OF CHIROPRACTIC
21 UNDER SECTION 16401 OF ACT NO. 368 OF THE PUBLIC ACTS OF
22 1978, BEING SECTION 333.16401 OF THE MICHIGAN COMPILED LAWS, AS
23 OF MAY 20, 1992. This section ~~shall~~ DOES not apply to a policy
24 or certificate written pursuant to section 3405, 3631, or 3709
25 involving a prudent purchaser agreement.

26 Sec. 3631. (1) For the purpose of doing business as an
27 organization under the prudent purchaser act, Act No. 233 of the

1 Public Acts of 1984, being sections 550.51 to 550.63 of the
2 Michigan Compiled Laws, an insurer authorized to write group dis-
3 ability insurance or family expense insurance ~~which~~ THAT pro-
4 vides coverage for hospital, nursing, medical, surgical, or
5 sick-care benefits may enter into prudent purchaser agreements
6 with providers of hospital, nursing, medical, surgical, or
7 sick-care services pursuant to this section and Act No. 233 of
8 the Public Acts of 1984.

9 (2) An insurer may offer group disability insurance policies
10 or family expense policies under which the insured persons shall
11 be required, as a condition of coverage, to obtain hospital,
12 nursing, medical, surgical, or sick-care services exclusively
13 from health care providers who have entered into prudent pur-
14 chaser agreements.

15 (3) An individual who is a member of a group who is offered
16 the option of being under a policy pursuant to subsection (2)
17 shall also be offered the option of being insured under a policy
18 pursuant to subsection (4). This subsection shall only apply if
19 the group to which the individual is a member has 25 or more mem-
20 bers or if the provider panel ~~which~~ THAT is providing the serv-
21 ices under the group policy is limited by the organization to a
22 specific number pursuant to section 3(1) of ~~the prudent pur-~~
23 ~~chaser act~~ ACT NO. 233 OF THE PUBLIC ACTS OF 1984, BEING
24 SECTION 550.53 OF THE MICHIGAN COMPILED LAWS.

25 (4) An insurer may offer group disability insurance policies
26 or family expense policies under which insured persons who elect
27 to obtain hospital, nursing, medical, surgical, or sick-care

1 services from health care providers who have entered into prudent
2 purchaser agreements shall realize a financial advantage or other
3 advantage by selecting such a provider. Policies offered pursu-
4 ant to this subsection shall not, as a condition of coverage,
5 require insured persons to obtain such services exclusively from
6 health care providers who have entered into prudent purchaser
7 agreements.

8 (5) An individual who is a member of a group who is offered
9 the option of being insured under a policy pursuant to
10 subsection (2) or (4) shall also be offered the option of being
11 insured under a policy ~~which~~ THAT:

12 (a) Does not, as a condition of coverage, require insured
13 persons to obtain services exclusively from health care providers
14 who have entered into prudent purchaser agreements.

15 (b) Does not give a financial advantage or other advantage
16 to an insured person who elects to obtain services from health
17 care providers who have entered into prudent purchaser
18 agreements.

19 (6) Subsection (5) shall only apply if the group to which
20 the individual is a member has 25 or more members and if the
21 group on ~~the effective date of this section~~ DECEMBER 20, 1984
22 had health care coverage through the group sponsor.

23 (7) The rates charged by an insurer for coverage under poli-
24 cies issued under this section shall not be unreasonably lower
25 than what is necessary to meet the expenses of the insurer for
26 providing this coverage and shall not have an anticompetitive

1 effect or result in predatory pricing in relation to prudent
2 purchaser agreement coverages offered by other organizations.

3 (8) An insurer shall not discriminate against a class of
4 health care providers when entering into prudent purchaser agree-
5 ments with health care providers for its provider panel. This
6 subsection shall not be construed to:

7 (a) Prohibit the formation of a provider panel consisting of
8 a single class of providers when a service provided for in the
9 specifications of a purchaser may legally be provided only by a
10 single class of providers.

11 (b) Prohibit the formation of a provider panel ~~which~~ THAT
12 conforms to the specifications of a purchaser of the coverage
13 authorized by this section so long as the specifications do not
14 exclude any class of health care providers who may legally per-
15 form the services included in the coverage.

16 (c) Require an organization ~~which~~ THAT has uniformly
17 applied the standards filed pursuant to section 3(3) of Act
18 No. 233 of the Public Acts of 1984, being section 550.53 of the
19 Michigan Compiled Laws, to contract with any individual
20 provider.

21 (D) REQUIRE COVERAGE OR REIMBURSEMENT FOR A PRACTICE OF CHI-
22 ROPRACTIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE DEFINI-
23 TION OF PRACTICE OF CHIROPRACTIC UNDER SECTION 16401 OF THE
24 PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING
25 SECTION 333.16401 OF THE MICHIGAN COMPILED LAWS, AS OF MAY 20,
26 1992.

1 (E) REQUIRE COVERAGE OR REIMBURSEMENT FOR A PRACTICE OF
2 OPTOMETRIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE
3 DEFINITION OF PRACTICE OF OPTOMETRY UNDER SECTION 17401 OF ACT
4 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.17401 OF
5 THE MICHIGAN COMPILED LAWS, AS OF MAY 20, 1992.

6 (9) Nothing in this 1984 amendatory act shall apply to any
7 contract ~~which~~ THAT is in existence before December 20, 1984,
8 or the renewal of such contract.

9 Sec. 3709. (1) For the purpose of doing business as an
10 organization under the prudent purchaser act, Act No. 233 of the
11 Public Acts of 1984, being sections 550.51 to 550.63 of the
12 Michigan Compiled Laws, an insurer authorized under this chapter
13 to write health insurance ~~which~~ THAT provides coverage for hos-
14 pital, nursing, medical, surgical, or sick-care benefits may
15 enter into prudent purchaser agreements with providers of hospi-
16 tal, nursing, medical, surgical, or sick-care services pursuant
17 to this section and Act No. 233 of the Public Acts of 1984.

18 (2) An insurer may offer health insurance policies or family
19 expense policies under which the insured persons shall be
20 required, as a condition of coverage, to obtain hospital, nurs-
21 ing, medical, surgical, or sick-care services exclusively from
22 health care providers who have entered into prudent purchaser
23 agreements.

24 (3) An individual who is a member of a group who is offered
25 the option of being insured under a policy pursuant to subsection
26 (2) shall also be offered the option of being insured under a
27 policy pursuant to subsection (4). This subsection shall only

1 apply if the group to which the individual is a member has 25 or
2 more members or if the provider panel ~~which~~ THAT is providing
3 the services under the group policy is limited by the organi-
4 zation to a specific number pursuant to section 3(1) of the Act
5 No. 233 of the Public Acts of 1984, being section 550.53 of the
6 Michigan Compiled Laws.

7 (4) An insurer may offer health insurance policies under
8 which insured persons who elect to obtain hospital, nursing, med-
9 ical, surgical, or sick-care services from health care providers
10 who have entered into prudent purchaser agreements shall realize
11 a financial advantage or other advantage by selecting such
12 providers. Policies offered pursuant to this subsection shall
13 not, as a condition of coverage, require insured persons to
14 obtain services exclusively from health care providers who have
15 entered into prudent purchaser agreements.

16 (5) An individual who is a member of a group who is offered
17 the option of being insured under a policy pursuant to subsection
18 (2) or (4) shall also be offered the option of being insured
19 under a policy ~~which~~ THAT:

20 (a) Does not, as a condition of coverage, require insured
21 persons to obtain services exclusively from health care providers
22 who have entered into prudent purchaser agreements.

23 (b) Does not give a financial advantage or other advantage
24 to an insured person who elects to obtain services from health
25 care providers who have entered into prudent purchaser
26 agreements.

1 (6) Subsection (5) shall only apply if the group to which
2 the individual is a member has 25 or more members and if the
3 group on December 20, 1984 had health care coverage through the
4 group sponsor.

5 (7) The rates charged by an insurer for coverage under poli-
6 cies issued under this section shall not be unreasonably lower
7 than what is necessary to meet the expenses of the insurer for
8 providing this coverage and shall not have an anticompetitive
9 effect or result in predatory pricing in relation to prudent pur-
10 chaser agreement coverages offered by other organizations.

11 (8) An insurer shall not discriminate against a class of
12 health care providers when entering into prudent purchaser agree-
13 ments with health care providers for its provider panel. This
14 subsection shall not be construed to:

15 (a) Prohibit the formation of a provider panel consisting of
16 a single class of providers when a service provided for in the
17 specifications of a purchaser may legally be provided only by a
18 single class of providers.

19 (b) Prohibit the formation of a provider panel ~~which~~ THAT
20 conforms to the specifications of a purchaser of the coverage
21 authorized by this section so long as the specifications do not
22 exclude any class of health care providers who may legally per-
23 form the services included in the coverage.

24 (c) Require an organization ~~which~~ THAT has uniformly
25 applied the standards filed pursuant to section 3(3) of Act
26 No. 233 of the Public Acts of 1984, being section 550.53 of the

1 Michigan Compiled Laws, to contract with any individual
2 provider.

3 (D) REQUIRE COVERAGE OR REIMBURSEMENT FOR A PRACTICE OF CHI-
4 ROPRACTIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE DEFINI-
5 TION OF PRACTICE OF CHIROPRACTIC UNDER SECTION 16401 OF THE
6 PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING
7 SECTION 333.16401 OF THE MICHIGAN COMPILED LAWS, AS OF MAY 20,
8 1992.

9 (E) REQUIRE COVERAGE OR REIMBURSEMENT FOR A PRACTICE OF
10 OPTOMETRIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE DEFINI-
11 TION OF PRACTICE OF OPTOMETRY UNDER SECTION 17401 OF ACT
12 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.17401 OF
13 THE MICHIGAN COMPILED LAWS, AS OF MAY 20, 1992.

14 (9) Nothing in ~~this~~ THE 1984 amendatory act THAT ADDED
15 THIS SECTION shall apply to any contract ~~which~~ THAT is in exis-
16 tence before December 20, 1984, or the renewal of such contract.