THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT (EXCERPT)
Act 350 of 1980

550.1614 Interim rates; petition; determination; granting interim rate; final rate
determination; refunds or adjustments; limitation on order establishing interim rate
adjustment; rates to which section applicable.
Sec. 614. (1) Not less than 75 days after a filing is received, as provided in section 610, the health care
corporation may petition the commissioner, who shall make a determination with respect to interim rates and
shall order interim rates in the amount prescribed in subsection (2). Interim rates shall not be implemented if
the commissioner finds that the health care corporation has substantially contributed to the delay or that the
health care corporation has not provided information requested by the commissioner relative to a
determination under this section. The interim rate determination shall not be a contested case under chapter 4
of the administrative procedures act.
(2) The commissioner shall grant an interim rate, in an amount as determined by the commissioner, if the
commissioner makes a finding that the corporation has made a convincing showing that there is probable
cause to believe that the failure to grant the interim rate will result in an underwriting loss for that line of
business for the period for which rates are being requested. As used in this subsection, “underwriting loss”
means the difference between income from current rates plus investment income, and projected claims plus
projected administrative expenses.
(3) If the final rate determination results in approval of a lower rate, appropriate refunds or adjustments, as
determined by the commissioner, shall be made to reflect payments made in excess of the approved rate.
(4) The order establishing an interim rate adjustment made pursuant to this section shall be limited to
adjusting rates for certificates then in effect, and shall not be used to alter certificates or implement new
certificates.
(5) This section shall apply only to rates subject to section 608(1) for which a hearing has been requested.

Popular name: Blue Cross-Blue Shield
Popular name: Act 350