

Act No. 240
Public Acts of 1995
Approved by the Governor
December 25, 1995
Filed with the Secretary of State
December 26, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Reps. Pitoniak, Perricone, Freeman, Scott, Cherry, Agee, DeHart, Schroer, Baird, Anthony, Martinez, Brewer, Olshove, Scott, Bush and Llewellyn

ENROLLED HOUSE BILL No. 5174

AN ACT to amend Act No. 368 of the Public Acts of 1978, entitled as amended "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," as amended, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, by adding sections 21054v, 21054w, and 21054x.

The People of the State of Michigan enact:

Section 1. Act No. 368 of the Public Acts of 1978, as amended, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, is amended by adding sections 21054v, 21054w, and 21054x to read as follows:

Sec. 21054v. A health maintenance organization contract that offers dependent coverage shall not deny enrollment to an enrollee's child on any of the following grounds:

- (a) The child was born out of wedlock.
- (b) The child is not claimed as a dependent on the enrollee's federal income tax return.
- (c) The child does not reside with the enrollee or in the health maintenance organization's service area. However, enrollment of a child residing outside a health maintenance organization's service area does not change any of the provisions of the health maintenance contract including cost and benefits.

Sec. 21054w. (1) If a parent is eligible for dependent coverage through a health maintenance organization, the health maintenance organization shall:

- (a) Permit the parent to enroll, under the dependent coverage, a child who is otherwise eligible for coverage without regard to any enrollment season restrictions.

(b) If the parent is enrolled but fails to make application to obtain coverage for the child, enroll the child under dependent coverage upon application by the friend of the court or by the child's other parent through the friend of the court.

(c) Not eliminate the child's coverage unless premiums have not been paid as required by the contract or the health maintenance organization is provided with satisfactory written evidence of either of the following:

(i) The court or administrative order is no longer in effect.

(ii) The child is or will be enrolled in comparable health coverage through another health maintenance organization, insurer, health care corporation, or self-funded health coverage plan that will take effect not later than the effective date of the cancellation of the existing coverage.

(2) If a child has health coverage through a health maintenance organization of a noncustodial parent, that health maintenance organization shall do all of the following:

(a) Provide the custodial parent with information necessary for the child to obtain benefits through that coverage.

(b) Permit the custodial parent or, with the custodial parent's approval, the provider to submit a claim for covered services without the noncustodial parent's approval.

(c) If applicable, reimburse the custodial parent or medical provider for services obtained or provided under subdivision (b).

(3) This section applies only if a parent is required by a court or administrative order to provide health coverage for a child and the health maintenance organization is notified of that court or administrative order.

Sec. 21054x. (1) A health maintenance organization shall not consider whether an individual is eligible for or has available medical assistance under title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396g and 1396i to 1396v, in this or another state when considering eligibility for coverage or making payments under its plan for eligible enrollees.

(2) If a health maintenance organization has a legal liability to make payments, and payment for covered expenses for medical goods or services furnished to an individual has been made under the medical assistance program established under section 105 of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.105 of the Michigan Compiled Laws, the department of social services has the rights of the individual to payment by the health maintenance organization to the extent payment was made by the department of social services' medical assistance program for those medical goods or services.

(3) If the department of social services has been assigned the rights of an enrollee who is eligible for medical assistance under section 105 of Act No. 280 of the Public Acts of 1939 and is covered by a health maintenance organization, the health maintenance organization shall not impose requirements on the department of social services that are different from requirements that apply to an agent or assignee of any other covered enrollee.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.