



HOUSE BILL No. 4202

January 30, 1995, Introduced by Reps. Pitoniak, DeHart, DeMars, Cherry, Walberg, Martinez, Anthony, Willard, Hanley, Berman, Freeman and Baird and referred to the Committee on Insurance.

A bill to amend Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," as amended, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, by adding sections 21054u, 21054v, 21054w, 21054x, and 21054y.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 368 of the Public Acts of 1978, as
2 amended, being sections 333.1101 to 333.25211 of the Michigan
3 Compiled Laws, is amended by adding sections 21054u, 21054v,
4 21054w, 21054x, and 21054y to read as follows:

5 SEC. 21054U. A HEALTH MAINTENANCE ORGANIZATION SHALL OFFER
6 TO PROVIDE COVERAGE TO A SUBSCRIBER'S CHILD UNDER THE
7 SUBSCRIBER'S HEALTH MAINTENANCE CONTRACT UNTIL DECEMBER 31 OF THE
8 CALENDAR YEAR IN WHICH THE CHILD BECOMES 25 YEARS OF AGE

1 REGARDLESS OF WHETHER OR NOT THE CHILD IS CONSIDERED A DEPENDENT
2 UNDER SECTION 152 OF THE INTERNAL REVENUE CODE OF 1986, 26
3 U.S.C. 152, IF ALL OF THE FOLLOWING ARE MET:

4 (A) THE CHILD IS A CHILD BY BIRTH OR ADOPTION OF THE
5 SUBSCRIBER.

6 (B) THE CHILD IS ENROLLED AS A FULL-TIME STUDENT.

7 (C) THE CHILD IS UNMARRIED.

8 SEC. 21054V. A HEALTH MAINTENANCE ORGANIZATION CONTRACT
9 THAT OFFERS DEPENDENT COVERAGE SHALL NOT DENY ENROLLMENT TO AN
10 ENROLLEE'S CHILD ON ANY OF THE FOLLOWING GROUNDS:

11 (A) THE CHILD WAS BORN OUT OF WEDLOCK.

12 (B) THE CHILD IS NOT CLAIMED AS A DEPENDENT ON THE
13 ENROLLEE'S FEDERAL INCOME TAX RETURN.

14 (C) THE CHILD DOES NOT RESIDE WITH THE ENROLLEE OR IN THE
15 HEALTH MAINTENANCE ORGANIZATION'S SERVICE AREA.

16 SEC. 21054W. (1) IF A PARENT IS REQUIRED BY A COURT OR
17 ADMINISTRATIVE ORDER TO PROVIDE HEALTH COVERAGE FOR A CHILD AND
18 THE PARENT IS ELIGIBLE FOR DEPENDENT COVERAGE THROUGH A HEALTH
19 MAINTENANCE ORGANIZATION, THE HEALTH MAINTENANCE ORGANIZATION
20 SHALL:

21 (A) PERMIT THE PARENT OR LEGAL CUSTODIAN TO ENROLL, UNDER
22 THE DEPENDENT COVERAGE, A CHILD WHO IS OTHERWISE ELIGIBLE FOR
23 COVERAGE WITHOUT REGARD TO ANY ENROLLMENT SEASON RESTRICTIONS.

24 (B) IF THE PARENT IS ENROLLED BUT FAILS TO MAKE APPLICATION
25 TO OBTAIN COVERAGE FOR THE CHILD, ENROLL THE CHILD UNDER DEPENDENT
26 COVERAGE UPON APPLICATION BY THE CHILD'S OTHER PARENT OR
27 LEGAL CUSTODIAN OR BY THE FRIEND OF THE COURT PURSUANT TO THE

1 SUPPORT AND VISITATION ENFORCEMENT ACT, ACT NO. 295 OF THE PUBLIC
2 ACTS OF 1982, BEING SECTIONS 552.601 TO 552.650 OF THE MICHIGAN
3 COMPILED LAWS.

4 (C) NOTIFY THE CHILD'S OTHER PARENT OR LEGAL CUSTODIAN AND
5 THE FRIEND OF THE COURT OF THE EFFECTIVE DATE OF THE CHILD'S COV-
6 ERAGE, THE NAME OF THE HEALTH MAINTENANCE ORGANIZATION, THE NAME
7 OF THE CONTRACT HOLDER, AND THE CONTRACT NUMBER.

8 (D) NOT ELIMINATE THE CHILD'S COVERAGE UNLESS PREMIUMS HAVE
9 NOT BEEN PAID PURSUANT TO THE CONTRACT OR THE HEALTH MAINTENANCE
10 ORGANIZATION IS PROVIDED WITH SATISFACTORY WRITTEN EVIDENCE OF
11 EITHER OF THE FOLLOWING:

12 (i) THE COURT OR ADMINISTRATIVE ORDER IS NO LONGER IN
13 EFFECT.

14 (ii) THE CHILD IS OR WILL BE ENROLLED IN COMPARABLE HEALTH
15 COVERAGE THROUGH ANOTHER HEALTH MAINTENANCE ORGANIZATION, INSUR-
16 ER, HEALTH CARE CORPORATION, OR SELF-FUNDED HEALTH PLAN THAT WILL
17 TAKE EFFECT NOT LATER THAN THE EFFECTIVE DATE OF THE CANCELLATION
18 OF THE EXISTING COVERAGE.

19 (2) A HEALTH MAINTENANCE ORGANIZATION SHALL NOTIFY THE
20 FRIEND OF THE COURT IF HEALTH COVERAGE TO THE CHILD IS ELIMINATED
21 FOR ANY REASON OTHER THAN BECAUSE THE COURT OR ADMINISTRATIVE
22 ORDER REQUIRING COVERAGE IS NO LONGER IN EFFECT.

23 (3) IF A CHILD HAS HEALTH COVERAGE THROUGH A HEALTH MAINTE-
24 NANCE ORGANIZATION OF A NONCUSTODIAL PARENT, THE HEALTH MAINTE-
25 NANCE ORGANIZATION SHALL DO ALL OF THE FOLLOWING:

1 (A) PROVIDE THE CUSTODIAL PARENT OR LEGAL CUSTODIAN WITH
2 INFORMATION AS MAY BE NECESSARY FOR THE CHILD TO OBTAIN BENEFITS
3 THROUGH THAT COVERAGE.

4 (B) PERMIT THE CUSTODIAL PARENT OR LEGAL CUSTODIAN TO OBTAIN
5 OR, WITH THE CUSTODIAL PARENT'S OR LEGAL CUSTODIAN'S APPROVAL,
6 THE HEALTH CARE PROVIDER TO PROVIDE COVERED SERVICES WITHOUT THE
7 NONCUSTODIAL PARENT'S APPROVAL.

8 (C) IF APPLICABLE, REIMBURSE THE CUSTODIAL PARENT, LEGAL
9 CUSTODIAN, OR HEALTH CARE PROVIDER FOR SERVICES OBTAINED OR PRO-
10 VIDED PURSUANT TO SUBDIVISION (B).

11 (4) THIS SECTION APPLIES ONLY IF A PARENT IS REQUIRED BY A
12 COURT OR ADMINISTRATIVE ORDER TO PROVIDE HEALTH COVERAGE FOR A
13 CHILD AND THE HEALTH MAINTENANCE ORGANIZATION IS NOTIFIED OF THAT
14 COURT OR ADMINISTRATIVE ORDER.

15 SEC. 21054X. IF REQUESTED PURSUANT TO THE FRIEND OF THE
16 COURT ACT, ACT NO. 294 OF THE PUBLIC ACTS OF 1982, BEING SECTIONS
17 552.501 TO 552.535 OF THE MICHIGAN COMPILED LAWS, A HEALTH MAIN-
18 TENANCE ORGANIZATION SHALL PROVIDE INFORMATION TO THE FRIEND OF
19 THE COURT ABOUT A CONTRACT'S VARIOUS BENEFITS AND OPTIONS, ALONG
20 WITH THEIR COSTS, THAT ARE AVAILABLE TO A CHILD.

21 SEC. 21054Y. (1) A HEALTH MAINTENANCE ORGANIZATION SHALL
22 NOT CONSIDER WHETHER AN INDIVIDUAL IS ELIGIBLE FOR OR HAS AVAIL-
23 ABLE MEDICAL ASSISTANCE UNDER TITLE XIX OF THE SOCIAL SECURITY
24 ACT, CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1396 TO 1396g AND 1396i
25 TO 1396v, IN THIS OR ANOTHER STATE WHEN CONSIDERING ELIGIBILITY
26 FOR COVERAGE OR MAKING PAYMENTS UNDER ITS PLAN FOR ELIGIBLE
27 ENROLLEES.

1 (2) IF A HEALTH MAINTENANCE ORGANIZATION HAS A LEGAL
2 LIABILITY TO MAKE PAYMENTS AND PAYMENT FOR COVERED EXPENSES FOR
3 HEALTH CARE ITEMS OR SERVICES FURNISHED TO AN INDIVIDUAL HAS BEEN
4 MADE UNDER THE MEDICAL ASSISTANCE PROGRAM ESTABLISHED PURSUANT TO
5 SECTION 105 OF THE SOCIAL WELFARE ACT, ACT NO. 280 OF THE PUBLIC
6 ACTS OF 1939, BEING SECTION 400.105 OF THE MICHIGAN COMPILED
7 LAWS, THE DEPARTMENT OF SOCIAL SERVICES HAS THE RIGHTS OF THE
8 INDIVIDUAL TO PAYMENT BY THE HEALTH MAINTENANCE ORGANIZATION TO
9 THE EXTENT PAYMENT WAS MADE BY THE DEPARTMENT OF SOCIAL SERVICES
10 FOR THOSE HEALTH CARE ITEMS OR SERVICES.

11 (3) A HEALTH MAINTENANCE ORGANIZATION SHALL NOT IMPOSE
12 REQUIREMENTS ON THE DEPARTMENT OF SOCIAL SERVICES, WHICH HAS BEEN
13 ASSIGNED THE RIGHTS OF AN ENROLLEE ELIGIBLE FOR MEDICAL ASSIST-
14 ANCE UNDER SECTION 105 OF ACT NO. 280 OF THE PUBLIC ACTS OF 1939,
15 AND COVERED BY THE HEALTH MAINTENANCE ORGANIZATION, THAT ARE DIF-
16 FERENT FROM REQUIREMENTS THAT APPLY TO AN AGENT OR ASSIGNEE OF
17 ANY OTHER COVERED ENROLLEE.