



# HOUSE BILL No. 4767

May 2, 1995, Introduced by Reps. LaForge, Cherry, Martinez, Baird, Wetters, Pitoniak, Anthony, DeHart, Kelly, Hanley, Brater, Berman, Gire, Agee and Harder and referred to the Committee on Insurance.

A bill to amend Act No. 350 of the Public Acts of 1980, entitled as amended "The nonprofit health care corporation reform act," as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, by adding sections 418, 419, 419a, 419b, and 419c.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Act No. 350 of the Public Acts of 1980, as  
2 amended, being sections 550.1101 to 550.1704 of the Michigan  
3 Compiled Laws, is amended by adding sections 418, 419, 419a,  
4 419b, and 419c to read as follows:

5 SEC. 418. A HEALTH CARE CORPORATION SHALL OFFER TO PROVIDE  
6 BENEFITS TO A SUBSCRIBER'S CHILD UNDER THE SUBSCRIBER'S  
7 CERTIFICATE UNTIL DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE  
8 CHILD BECOMES 25 YEARS OF AGE REGARDLESS OF WHETHER OR NOT THE

1 CHILD IS CONSIDERED A DEPENDENT UNDER SECTION 152 OF THE INTERNAL  
2 REVENUE CODE OF 1986, 26 U.S.C. 152, IF ALL OF THE FOLLOWING ARE  
3 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. 419. A HEALTH CARE CORPORATION CERTIFICATE THAT OFFERS  
9 DEPENDENT COVERAGE SHALL NOT DENY ENROLLMENT TO A SUBSCRIBER'S  
10 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 SUBSCRIBER'S FEDERAL INCOME TAX RETURN.

14 (C) THE CHILD DOES NOT RESIDE WITH THE SUBSCRIBER OR IN THE  
15 HEALTH CARE CORPORATION'S SERVICE AREA.

16 SEC. 419A. (1) IF A PARENT IS REQUIRED BY A COURT OR ADMIN-  
17 ISTRATIVE ORDER TO PROVIDE HEALTH COVERAGE FOR A CHILD AND THE  
18 PARENT IS ELIGIBLE FOR DEPENDENT COVERAGE THROUGH A HEALTH CARE  
19 CORPORATION, THE HEALTH CARE CORPORATION SHALL:

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

23 (B) IF THE PARENT IS ENROLLED BUT FAILS TO MAKE APPLICATION  
24 TO OBTAIN COVERAGE FOR THE CHILD, ENROLL THE CHILD UNDER DEPEN-  
25 DENT COVERAGE UPON APPLICATION BY THE CHILD'S OTHER PARENT OR  
26 LEGAL CUSTODIAN OR BY THE FRIEND OF THE COURT PURSUANT TO THE  
27 SUPPORT AND VISITATION ENFORCEMENT ACT, ACT NO. 295 OF THE PUBLIC

1 ACTS OF 1982, BEING SECTIONS 552.601 TO 552.650 OF THE MICHIGAN  
2 COMPILED LAWS.

3 (C) NOTIFY THE CHILD'S OTHER PARENT OR LEGAL CUSTODIAN AND  
4 THE FRIEND OF THE COURT OF THE EFFECTIVE DATE OF THE CHILD'S COV-  
5 ERAGE, THE NAME OF THE HEALTH CARE CORPORATION, THE NAME OF THE  
6 CERTIFICATE HOLDER, AND THE CERTIFICATE NUMBER.

7 (D) NOT ELIMINATE THE CHILD'S COVERAGE UNLESS PREMIUMS HAVE  
8 NOT BEEN PAID PURSUANT TO THE CERTIFICATE OR THE HEALTH CARE COR-  
9 PORATION IS PROVIDED WITH SATISFACTORY WRITTEN EVIDENCE OF EITHER  
10 OF THE FOLLOWING:

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

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

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

22 (3) IF A CHILD HAS HEALTH COVERAGE THROUGH A HEALTH CARE  
23 CORPORATION OF A NONCUSTODIAL PARENT, THE HEALTH CARE CORPORATION  
24 SHALL DO ALL OF THE FOLLOWING:

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

1 (B) PERMIT THE CUSTODIAL PARENT OR LEGAL CUSTODIAN TO OBTAIN  
2 OR SUBMIT A CLAIM FOR OR, WITH THE CUSTODIAL PARENT'S OR LEGAL  
3 CUSTODIAN'S APPROVAL, THE PROVIDER TO PROVIDE OR SUBMIT A CLAIM  
4 FOR COVERED SERVICES WITHOUT THE NONCUSTODIAL PARENT'S APPROVAL.

5 (C) IF APPLICABLE, REIMBURSE OR MAKE PAYMENT ON CLAIMS SUB-  
6 MITTED BY THE CUSTODIAL PARENT, LEGAL CUSTODIAN, OR HEALTH CARE  
7 PROVIDER FOR SERVICES OBTAINED OR PROVIDED PURSUANT TO  
8 SUBDIVISION (B).

9 (4) THIS SECTION APPLIES ONLY IF A PARENT IS REQUIRED BY A  
10 COURT OR ADMINISTRATIVE ORDER TO PROVIDE HEALTH COVERAGE FOR A  
11 CHILD AND THE HEALTH CARE CORPORATION IS NOTIFIED OF THAT COURT  
12 OR ADMINISTRATIVE ORDER.

13 SEC. 419B. IF REQUESTED PURSUANT TO THE FRIEND OF THE COURT  
14 ACT, ACT NO. 294 OF THE PUBLIC ACTS OF 1982, BEING  
15 SECTIONS 552.501 TO 552.535 OF THE MICHIGAN COMPILED LAWS, A  
16 HEALTH CARE CORPORATION SHALL PROVIDE INFORMATION TO THE FRIEND  
17 OF THE COURT ABOUT A CERTIFICATE'S VARIOUS BENEFITS AND OPTIONS,  
18 ALONG WITH THEIR COSTS, THAT ARE AVAILABLE TO A CHILD.

19 SEC. 419C. (1) A HEALTH CARE CORPORATION SHALL NOT CONSIDER  
20 WHETHER AN INDIVIDUAL IS ELIGIBLE FOR OR HAS AVAILABLE MEDICAL  
21 ASSISTANCE UNDER TITLE XIX OF THE SOCIAL SECURITY ACT, CHAPTER  
22 531, 49 STAT. 620, 42 U.S.C. 1396 TO 1396g AND 1396i TO 1396v IN  
23 THIS OR ANOTHER STATE WHEN CONSIDERING ELIGIBILITY FOR COVERAGE  
24 OR MAKING PAYMENTS UNDER ITS PLAN FOR ELIGIBLE SUBSCRIBERS.

25 (2) IF A HEALTH CARE CORPORATION HAS A LEGAL LIABILITY TO  
26 MAKE PAYMENTS, AND PAYMENT FOR COVERED EXPENSES FOR HEALTH CARE  
27 ITEMS OR SERVICES FURNISHED TO AN INDIVIDUAL HAS BEEN MADE UNDER

1 THE MEDICAL ASSISTANCE PROGRAM ESTABLISHED PURSUANT TO  
2 SECTION 105 OF THE SOCIAL WELFARE ACT, ACT NO. 280 OF THE PUBLIC  
3 ACTS OF 1939, BEING SECTION 400.105 OF THE MICHIGAN COMPILED  
4 LAWS, THE DEPARTMENT OF SOCIAL SERVICES HAS THE RIGHTS OF THE  
5 INDIVIDUAL TO PAYMENT BY THE HEALTH CARE CORPORATION TO THE  
6 EXTENT PAYMENT WAS MADE BY THE DEPARTMENT OF SOCIAL SERVICES FOR  
7 THOSE HEALTH CARE ITEMS OR SERVICES.

8 (3) A HEALTH CARE CORPORATION SHALL NOT IMPOSE REQUIREMENTS  
9 ON THE DEPARTMENT OF SOCIAL SERVICES, WHICH HAS BEEN ASSIGNED THE  
10 RIGHTS OF A SUBSCRIBER ELIGIBLE FOR MEDICAL ASSISTANCE UNDER  
11 SECTION 105 OF ACT NO. 280 OF THE PUBLIC ACTS OF 1939, AND COV-  
12 ERED BY THE HEALTH CARE CORPORATION, THAT ARE DIFFERENT FROM  
13 REQUIREMENTS THAT APPLY TO AN AGENT OR ASSIGNEE OF ANY OTHER COV-  
14 ERED SUBSCRIBER.