



HOUSE BILL No. 4978

June 16, 1995, Introduced by Reps. Hammerstrom, Green, Wetters, Gernaat, Lowe, Hanley, DeLange, Pitoniak, DeMars, Bush, Baird, Dalman, Freeman, Byl and McBryde and referred to the Committee on Health Policy.

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 part 29.

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 part 29 to read as follows:

4 PART 29. HEALTH INFORMATION

5 SEC. 2901. AS USED IN THIS PART:

6 (A) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE MICHIGAN
7 HEALTH DATA INSTITUTE.

8 (B) "CONSUMER" MEANS AN INDIVIDUAL WHO IS NEITHER A PROVIDER
9 NOR A PURCHASER.

1 (C) "DATA BASE" MEANS THE MICHIGAN COMPARATIVE HEALTH DATA
2 BASE DEVELOPED UNDER THIS PART.

3 (D) "DATA CORPORATION" MEANS THE MICHIGAN HEALTH DATA BASE
4 CORPORATION ESTABLISHED BY THE BOARD UNDER SECTION 2911.

5 (E) "DATA PLAN" MEANS A DATA PLAN APPROVED AND MADE EFFEC-
6 TIVE UNDER SECTION 2909.

7 (F) "INSTITUTE" MEANS THE MICHIGAN HEALTH DATA INSTITUTE
8 CREATED IN SECTION 2903.

9 (G) "PROVIDER" MEANS 1 OR MORE OF THE FOLLOWING:

10 (i) A HEALTH PROFESSIONAL LICENSED OR REGISTERED UNDER THE
11 LAWS OF THIS STATE.

12 (ii) AN INDIVIDUAL WHO IS AN OFFICER OF OR IS EMPLOYED BY OR
13 UNDER EMPLOYMENT CONTRACT TO A HEALTH-RELATED ORGANIZATION
14 INCLUDING, BUT NOT LIMITED TO, A HEALTH FACILITY OR AGENCY
15 LICENSED UNDER ARTICLE 17.

16 (iii) AN ASSOCIATION REPRESENTING HEALTH PROFESSIONALS OR
17 HEALTH FACILITIES.

18 (H) "PRUDENT PURCHASER ACT" MEANS ACT NO. 233 OF THE PUBLIC
19 ACTS OF 1984, BEING SECTIONS 550.51 TO 550.63 OF THE MICHIGAN
20 COMPILED LAWS.

21 (I) "PURCHASER" MEANS AN OFFICER OF OR AN INDIVIDUAL
22 EMPLOYED BY OR UNDER EMPLOYMENT CONTRACT TO AN ORGANIZATION THAT
23 PURCHASES OR PROVIDES HEALTH BENEFITS INCLUDING, BUT NOT LIMITED
24 TO, 1 OF THE FOLLOWING:

25 (i) AN INSURER AS DEFINED UNDER THE INSURANCE CODE OF 1956.

26 (ii) A HEALTH CARE CORPORATION INCORPORATED UNDER THE
27 NONPROFIT HEALTH CARE CORPORATION REFORM ACT.

1 (iii) AN ORGANIZATION THAT PURCHASES OR PROVIDES A HEALTH
2 CARE PAYMENT OR BENEFITS PLAN.

3 (iv) A COALITION OR ASSOCIATION OF PURCHASERS.

4 (J) "THE INSURANCE CODE OF 1956" MEANS ACT NO. 218 OF THE
5 PUBLIC ACTS OF 1956, BEING SECTIONS 500.100 TO 500.8302 OF THE
6 MICHIGAN COMPILED LAWS.

7 (K) "THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT" MEANS
8 ACT NO. 350 OF THE PUBLIC ACTS OF 1980, BEING SECTIONS 550.1101
9 TO 550.1704 OF THE MICHIGAN COMPILED LAWS.

10 SEC. 2903. (1) THE MICHIGAN HEALTH DATA INSTITUTE IS CRE-
11 ATED AS A PUBLIC BODY CORPORATE AND POLITIC IN THE EXECUTIVE
12 OFFICE OF THE GOVERNOR. WITHIN 90 DAYS AFTER THE EFFECTIVE DATE
13 OF A DATA PLAN, BUT NOT LATER THAN 2 YEARS AFTER THE EFFECTIVE
14 DATE OF THIS PART, THE GOVERNOR SHALL REASSIGN THE INSTITUTE TO A
15 PRINCIPAL EXECUTIVE DEPARTMENT. THE INSTITUTE SHALL EXERCISE ITS
16 PRESCRIBED STATUTORY POWERS, DUTIES, AND FUNCTIONS INDEPENDENTLY
17 OF THE DIRECTOR OF THE PRINCIPAL EXECUTIVE DEPARTMENT TO WHICH IT
18 IS REASSIGNED.

19 (2) THE POWERS AND DUTIES OF THE INSTITUTE ARE VESTED IN AND
20 SHALL BE EXERCISED BY A BOARD OF DIRECTORS CONSISTING OF 13 MEM-
21 BERS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE
22 SENATE.

23 (3) SUBJECT TO SUBSECTIONS (5) AND (6), IN MAKING APPOINT-
24 MENTS TO THE BOARD, THE GOVERNOR SHALL, TO THE EXTENT FEASIBLE,
25 ASSURE THAT THE MEMBERSHIP OF THE BOARD IS BROADLY REPRESENTATIVE
26 OF THE INTERESTS OF ALL THE PEOPLE OF THIS STATE.

1 (4) THE GOVERNOR SHALL APPOINT THE INITIAL BOARD OF
2 DIRECTORS WITHIN 3 MONTHS AFTER THE EFFECTIVE DATE OF THIS PART.

3 (5) THE GOVERNOR SHALL AGAIN APPOINT MEMBERS TO THE BOARD
4 WITHIN 90 DAYS AFTER THE INITIAL DATA PLAN TAKES EFFECT. IN
5 MAKING APPOINTMENTS UNDER THIS SUBSECTION, THE GOVERNOR MAY
6 APPOINT SOME OR ALL OF THE INITIAL MEMBERS APPOINTED UNDER SUB-
7 SECTION (4). IN MAKING APPOINTMENTS TO THE BOARD UNDER THIS SUB-
8 SECTION, THE GOVERNOR SHALL ASSURE THAT THE PROVIDER MEMBERS OF
9 THE BOARD APPROPRIATELY REPRESENT THE PREDOMINANT SOURCES OF DATA
10 ACCORDING TO THE DATA PLAN IN EFFECT AT THE TIME THE APPOINTMENTS
11 ARE MADE.

12 (6) THE GOVERNOR SHALL MAKE THE APPOINTMENTS UNDER THIS SEC-
13 TION TO ASSURE REPRESENTATION OF CONSUMERS, PROVIDERS, AND PUR-
14 CHASERS OF HEALTH CARE. NEITHER THE TOTAL NUMBER OF PROVIDERS
15 NOR THE TOTAL NUMBER OF PURCHASERS APPOINTED BY THE GOVERNOR
16 SHALL CONSTITUTE A MAJORITY OF MEMBERS OF THE BOARD.

17 (7) EXCEPT FOR THE INITIAL MEMBERS AND THE MEMBERS APPOINTED
18 IMMEDIATELY SUBSEQUENT TO THE INITIAL MEMBERS, A MEMBER OF THE
19 BOARD SHALL SERVE FOR A TERM OF 3 YEARS OR UNTIL A SUCCESSOR IS
20 APPOINTED. AN INITIAL MEMBER SHALL SERVE FOR A TERM EXPIRING 90
21 DAYS AFTER THE FIRST DATA PLAN IS APPROVED AND MADE EFFECTIVE
22 UNDER SECTION 2909. OF THE MEMBERS APPOINTED AFTER THE INITIAL
23 DATA PLAN TAKES EFFECT, 4 OF THE MEMBERS SHALL BE APPOINTED FOR A
24 TERM OF 1 YEAR, 4 OF THE MEMBERS SHALL BE APPOINTED FOR A TERM OF
25 2 YEARS, AND 5 OF THE MEMBERS SHALL BE APPOINTED FOR A TERM OF 3
26 YEARS. A VACANCY ON THE BOARD SHALL BE FILLED FOR THE BALANCE OF
27 THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL

1 APPOINTMENT. TO THE EXTENT FEASIBLE, THE GOVERNOR SHALL MAKE
2 APPOINTMENTS TO THE BOARD SO THAT CONSUMER, PROVIDER, AND PUR-
3 CHASER MEMBERS ARE EQUALLY DIVIDED AMONG THE DIFFERENT TERMS.

4 (8) MEMBERS OF THE BOARD ARE SUBJECT TO ALL OF THE
5 FOLLOWING:

6 (A) ACT NO. 317 OF THE PUBLIC ACTS OF 1968, BEING SECTIONS
7 15.321 TO 15.330 OF THE MICHIGAN COMPILED LAWS, AN ACT REGULATING
8 CONTRACTS OF PUBLIC SERVANTS WITH PUBLIC ENTITIES.

9 (B) ACT NO. 196 OF THE PUBLIC ACTS OF 1973, BEING SECTIONS
10 15.341 TO 15.348 OF THE MICHIGAN COMPILED LAWS, AN ACT PRESCRIB-
11 ING STANDARDS OF CONDUCT FOR PUBLIC OFFICERS AND EMPLOYEES.

12 (C) ACT NO. 472 OF THE PUBLIC ACTS OF 1978, BEING SECTIONS
13 4.411 TO 4.431 OF THE MICHIGAN COMPILED LAWS, AN ACT REGULATING
14 LOBBYISTS, LOBBYING AGENTS, AND LOBBYING ACTIVITIES.

15 (9) THE BUSINESS THAT THE BOARD PERFORMS SHALL BE CONDUCTED
16 AT A PUBLIC MEETING OF THE BOARD HELD IN COMPLIANCE WITH THE OPEN
17 MEETINGS ACT, ACT NO. 267 OF THE PUBLIC ACTS OF 1976, BEING SEC-
18 TIONS 15.261 TO 15.275 OF THE MICHIGAN COMPILED LAWS. PUBLIC
19 NOTICE OF THE TIME, DATE, AND PLACE OF THE MEETING SHALL BE GIVEN
20 IN THE MANNER REQUIRED BY ACT NO. 267 OF THE PUBLIC ACTS OF
21 1976.

22 (10) SUBJECT TO SECTIONS 2919 AND 2921, A WRITING PREPARED,
23 OWNED, USED, IN THE POSSESSION OF, OR RETAINED BY THE BOARD IN
24 THE PERFORMANCE OF AN OFFICIAL FUNCTION SHALL BE MADE AVAILABLE
25 TO THE PUBLIC IN COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT,
26 ACT NO. 442 OF THE PUBLIC ACTS OF 1976, BEING SECTIONS 15.231 TO
27 15.246 OF THE MICHIGAN COMPILED LAWS.

1 SEC. 2905. (1) THE BOARD SHALL, WITHIN 1 MONTH AFTER
 2 APPOINTMENT AND CONFIRMATION OF ALL MEMBERS, ADOPT BYLAWS FOR THE
 3 OPERATION OF THE INSTITUTE. THE BYLAWS SHALL INCLUDE, AT A MINI-
 4 MUM, VOTING PROCEDURES THAT PROTECT AGAINST CONFLICT OF INTEREST
 5 AND ARE IN COMPLIANCE WITH THE STATUTES LISTED IN SECTION
 6 2903(8), AND MINIMUM REQUIREMENTS FOR ATTENDANCE AT MEETINGS.

7 (2) THE GOVERNOR MAY REMOVE A BOARD MEMBER FROM OFFICE FOR
 8 FAILURE TO ATTEND 3 CONSECUTIVE MEETINGS IN A 1-YEAR PERIOD.

9 (3) AT THE BEGINNING OF EACH CALENDAR YEAR, THE BOARD SHALL
 10 ELECT A CHAIRPERSON AND VICE-CHAIRPERSON.

11 (4) THE BOARD SHALL MEET AS OFTEN AS NECESSARY TO FULFILL
 12 ITS DUTIES UNDER THIS PART. MEETINGS SHALL BE CALLED BY THE
 13 CHAIRPERSON OR BY NOT LESS THAN 5 BOARD MEMBERS.

14 (5) A MAJORITY OF THE BOARD MEMBERS APPOINTED AND SERVING
 15 CONSTITUTES A QUORUM. ACTION BY THE BOARD SHALL BE ONLY BY
 16 AFFIRMATIVE VOTE OF A MAJORITY OF THE BOARD MEMBERS APPOINTED AND
 17 SERVING. A BOARD MEMBER SHALL NOT VOTE BY PROXY.

18 (6) EXPENSES OF MEMBERS INCURRED IN THE PERFORMANCE OF OFFI-
 19 CIAL DUTIES SHALL BE REIMBURSED PURSUANT TO THE STANDARDIZED
 20 TRAVEL REGULATIONS OF THE DEPARTMENT OF MANAGEMENT AND BUDGET.

21 Section 2. This amendatory act shall not take effect unless
 22 all of the following bills of the 88th Legislature are enacted
 23 into law:

24 (a) Senate Bill No. _____ or House Bill No. 4975
 25 (request no. 03676'95 *).

26 (b) Senate Bill No. _____ or House Bill No. 4979
 27 (request no. 03677'95 *).

1 (c) Senate Bill No. _____ or House Bill No. 4976
2 (request no. 03678'95 a).

3 (d) Senate Bill No. _____ or House Bill No. 4977
4 (request no. 03679'95).