



# HOUSE BILL No. 5174

September 28, 1995, Introduced by Reps. Pitoniak, Perricone, Freeman, Scott, Cherry, Agee, DeHart, Schroer, Baird, Anthony, Martinez, Brewer, Olshove, Scott, Bush and Llewellyn 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 21054v, 21054w, and 21054x.

**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 21054v, 21054w, and  
4 21054x to read as follows:

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

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

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

3 (C) THE CHILD DOES NOT RESIDE WITH THE ENROLLEE OR IN THE  
4 HEALTH MAINTENANCE ORGANIZATION'S SERVICE AREA. HOWEVER, ENROLL-  
5 MENT OF A CHILD RESIDING OUTSIDE A HEALTH MAINTENANCE  
6 ORGANIZATION'S SERVICE AREA DOES NOT CHANGE ANY OF THE PROVISIONS  
7 OF THE HEALTH MAINTENANCE CONTRACT INCLUDING COST AND BENEFITS.

8 SEC. 21054W. (1) IF A PARENT IS ELIGIBLE FOR DEPENDENT COV-  
9 ERAGE THROUGH A HEALTH MAINTENANCE ORGANIZATION, THE HEALTH MAIN-  
10 TENANCE ORGANIZATION SHALL:

11 (A) PERMIT THE PARENT TO ENROLL, UNDER THE DEPENDENT COVER-  
12 AGE, A CHILD WHO IS OTHERWISE ELIGIBLE FOR COVERAGE WITHOUT  
13 REGARD TO ANY ENROLLMENT SEASON RESTRICTIONS.

14 (B) IF THE PARENT IS ENROLLED BUT FAILS TO MAKE APPLICATION  
15 TO OBTAIN COVERAGE FOR THE CHILD, ENROLL THE CHILD UNDER DEPEN-  
16 DENT COVERAGE UPON APPLICATION BY THE FRIEND OF THE COURT OR BY  
17 THE CHILD'S OTHER PARENT THROUGH THE FRIEND OF THE COURT.

18 (C) NOT ELIMINATE THE CHILD'S COVERAGE UNLESS PREMIUMS HAVE  
19 NOT BEEN PAID AS REQUIRED BY THE CONTRACT OR THE HEALTH MAINTENANCE ORGANIZATION IS PROVIDED WITH SATISFACTORY WRITTEN EVIDENCE  
20 OF EITHER OF THE FOLLOWING:

21 (i) THE COURT OR ADMINISTRATIVE ORDER IS NO LONGER IN  
22 EFFECT.

23 (ii) THE CHILD IS OR WILL BE ENROLLED IN COMPARABLE HEALTH  
24 COVERAGE THROUGH ANOTHER HEALTH MAINTENANCE ORGANIZATION, INSUR-  
25 ER, HEALTH CARE CORPORATION, OR SELF-FUNDED HEALTH COVERAGE PLAN  
26

1 THAT WILL TAKE EFFECT NOT LATER THAN THE EFFECTIVE DATE OF THE  
2 CANCELLATION OF THE EXISTING COVERAGE.

3 (2) IF A CHILD HAS HEALTH COVERAGE THROUGH A HEALTH MAINTENANCE  
4 ORGANIZATION OF A NONCUSTODIAL PARENT, THAT HEALTH MAINTENANCE  
5 ORGANIZATION SHALL DO ALL OF THE FOLLOWING:

6 (A) PROVIDE THE CUSTODIAL PARENT WITH INFORMATION NECESSARY  
7 FOR THE CHILD TO OBTAIN BENEFITS THROUGH THAT COVERAGE.

8 (B) PERMIT THE CUSTODIAL PARENT OR, WITH THE CUSTODIAL  
9 PARENT'S APPROVAL, THE PROVIDER TO SUBMIT A CLAIM FOR COVERED  
10 SERVICES WITHOUT THE NONCUSTODIAL PARENT'S APPROVAL.

11 (C) IF APPLICABLE, REIMBURSE THE CUSTODIAL PARENT OR MEDICAL  
12 PROVIDER FOR SERVICES OBTAINED OR PROVIDED UNDER SUBDIVISION  
13 (B).

14 (3) THIS SECTION APPLIES ONLY IF A PARENT IS REQUIRED BY A  
15 COURT OR ADMINISTRATIVE ORDER TO PROVIDE HEALTH COVERAGE FOR A  
16 CHILD AND THE HEALTH MAINTENANCE ORGANIZATION IS NOTIFIED OF THAT  
17 COURT OR ADMINISTRATIVE ORDER.

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

25 (2) IF A HEALTH MAINTENANCE ORGANIZATION HAS A LEGAL LIABIL-  
26 ITY TO MAKE PAYMENTS, AND PAYMENT FOR COVERED EXPENSES FOR  
27 MEDICAL GOODS OR SERVICES FURNISHED TO AN INDIVIDUAL HAS BEEN

1 MADE UNDER THE MEDICAL ASSISTANCE PROGRAM ESTABLISHED UNDER  
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 MAINTENANCE ORGANIZATION TO  
6 THE EXTENT PAYMENT WAS MADE BY THE DEPARTMENT OF SOCIAL SERVICE'S  
7 MEDICAL ASSISTANCE PROGRAM FOR THOSE MEDICAL GOODS OR SERVICES.

8 (3) IF THE DEPARTMENT OF SOCIAL SERVICES HAS BEEN ASSIGNED  
9 THE RIGHTS OF AN ENROLLEE WHO IS ELIGIBLE FOR MEDICAL ASSISTANCE  
10 UNDER SECTION 105 OF ACT NO. 280 OF THE PUBLIC ACTS OF 1939 AND  
11 IS COVERED BY A HEALTH MAINTENANCE ORGANIZATION, THE HEALTH MAIN-  
12 TENANCE ORGANIZATION SHALL NOT IMPOSE REQUIREMENTS ON THE DEPART-  
13 MENT OF SOCIAL SERVICES THAT ARE DIFFERENT FROM REQUIREMENTS THAT  
14 APPLY TO AN AGENT OR ASSIGNEE OF ANY OTHER COVERED ENROLLEE.