

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4487

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2212b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2212B. (1) THIS SECTION APPLIES TO A POLICY OR CERTIF-
2 ICATE ISSUED UNDER SECTION 3405 OR 3631.
3 (2) IF PARTICIPATION BETWEEN A PRIMARY CARE PHYSICIAN AND AN
4 INSURER TERMINATES, THE PHYSICIAN MAY PROVIDE WRITTEN NOTICE OF
5 THIS TERMINATION WITHIN 15 DAYS AFTER THE PHYSICIAN BECOMES AWARE
6 OF THE TERMINATION TO EACH INSURED WHO HAS CHOSEN THE PHYSICIAN
7 AS HIS OR HER PRIMARY CARE PHYSICIAN. IF AN INSURED IS IN AN
8 ONGOING COURSE OF TREATMENT WITH ANY OTHER PHYSICIAN THAT IS PAR-
9 TICIPATING WITH THE INSURER AND THE PARTICIPATION BETWEEN THE
10 PHYSICIAN AND THE INSURER TERMINATES, THE PHYSICIAN MAY PROVIDE
11 WRITTEN NOTICE OF THIS TERMINATION TO THE INSURED WITHIN 15 DAYS

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1 AFTER THE PHYSICIAN BECOMES AWARE OF THE TERMINATION. THE
2 NOTICES UNDER THIS SUBSECTION MAY ALSO DESCRIBE THE PROCEDURE FOR
3 CONTINUING CARE UNDER SUBSECTIONS (3) AND (4).

4 (3) IF PARTICIPATION BETWEEN AN INSURED'S CURRENT PHYSICIAN
5 AND AN INSURER TERMINATES, THE INSURER SHALL PERMIT THE INSURED
6 TO CONTINUE AN ONGOING COURSE OF TREATMENT WITH THAT PHYSICIAN AS
7 FOLLOWS:

8 (A) FOR 90 DAYS FROM THE DATE OF NOTICE TO THE INSURED BY
9 THE PHYSICIAN OF THE PHYSICIAN'S TERMINATION WITH THE INSURER.

10 (B) IF THE INSURED IS IN HER SECOND OR THIRD TRIMESTER OF
11 PREGNANCY AT THE TIME OF THE PHYSICIAN'S TERMINATION, THROUGH
12 POSTPARTUM CARE DIRECTLY RELATED TO THE PREGNANCY.

13 (C) IF THE INSURED IS DETERMINED TO BE TERMINALLY ILL PRIOR
14 TO A PHYSICIAN'S TERMINATION OR KNOWLEDGE OF THE TERMINATION AND
15 THE PHYSICIAN WAS TREATING THE TERMINAL ILLNESS BEFORE THE DATE
16 OF TERMINATION OR KNOWLEDGE OF THE TERMINATION, FOR THE REMAINDER
17 OF THE INSURED'S LIFE FOR CARE DIRECTLY RELATED TO THE TREATMENT
18 OF THE TERMINAL ILLNESS.

19 (4) SUBSECTION (3) APPLIES ONLY IF THE PHYSICIAN AGREES TO
20 ALL OF THE FOLLOWING:

21 (A) TO CONTINUE TO ACCEPT AS PAYMENT IN FULL REIMBURSEMENT
22 FROM THE INSURER AT THE RATES APPLICABLE PRIOR TO THE
23 TERMINATION.

24 (B) TO ADHERE TO THE INSURER'S STANDARDS FOR MAINTAINING
25 QUALITY HEALTH CARE AND TO PROVIDE TO THE INSURER NECESSARY MEDI-
26 CAL INFORMATION RELATED TO THE CARE.

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1 (C) TO OTHERWISE ADHERE TO THE INSURER'S POLICIES AND
2 PROCEDURES, INCLUDING, BUT NOT LIMITED TO, THOSE CONCERNING
3 UTILIZATION REVIEW, REFERRALS, PREAUTHORIZATIONS, AND TREATMENT
4 PLANS.

5 (5) AN INSURER SHALL PROVIDE WRITTEN NOTICE TO EACH PARTICI-
6 PATING PHYSICIAN THAT IF PARTICIPATION BETWEEN THE PHYSICIAN AND
7 THE INSURER TERMINATES, THE PHYSICIAN MAY DO BOTH OF THE
8 FOLLOWING:

9 (A) NOTIFY THE INSURER'S INSUREDS UNDER THE CARE OF THE PHY-
10 SICIAN OF THE TERMINATION IF THE PHYSICIAN DOES SO WITHIN 15 DAYS
11 AFTER THE PHYSICIAN BECOMES AWARE OF THE TERMINATION.

12 (B) INCLUDE IN THE NOTICE UNDER SUBDIVISION (A) A DESCRIP-
13 TION OF THE PROCEDURES FOR CONTINUING CARE UNDER SUBSECTIONS (3)
14 AND (4).

15 (6) THIS SECTION DOES NOT CREATE AN OBLIGATION FOR AN
16 INSURER TO PROVIDE TO AN INSURED COVERAGE BEYOND THE MAXIMUM COV-
17 ERAGE LIMITS PERMITTED BY THE INSURER'S POLICY OR CERTIFICATE
18 WITH THE INSURED.

19 (7) AS USED IN THIS SECTION:

20 (A) "PHYSICIAN" MEANS AN ALLOPATHIC PHYSICIAN OR OSTEOPATHIC
21 PHYSICIAN.

22 (B) "TERMINAL ILLNESS" MEANS THAT TERM AS DEFINED IN SECTION
23 5653 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.5653.

24 (C) "TERMINATES" OR "TERMINATION" INCLUDES THE NONRENEWAL,
25 EXPIRATION, OR ENDING FOR ANY REASON OF A PARTICIPATION AGREEMENT
26 OR CONTRACT BETWEEN A PHYSICIAN AND AN INSURER, BUT DOES NOT

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1 INCLUDE A TERMINATION BY THE INSURER FOR FAILURE TO MEET

2 APPLICABLE QUALITY STANDARDS OR FOR FRAUD.

3 Enacting section 1. This amendatory act takes effect

4 July 1, 2000.