

HOUSE BILL No. 4487

April 15, 1999, Introduced by Reps. Law, Birkholz, Ehardt, Howell, DeRossett, Caul, Woronchak, Richardville, Shackleton, Gilbert, Julian, Faunce, Bisbee, Kowall, Hager, Van Woerkom and Scranton and referred to the Committee on Health Policy.

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 AN INSURER AND A HEALTH CARE
4 PROVIDER IS TERMINATED OR BENEFITS OR COVERAGE PROVIDED BY A
5 HEALTH CARE PROVIDER IS TERMINATED BECAUSE OF A CHANGE IN THE
6 TERMS OF PROVIDER PARTICIPATION IN A GROUP CERTIFICATE AND A COV-
7 ERED INSURED IS UNDERGOING A COVERED COURSE OF TREATMENT FROM THE
8 PROVIDER AT THE TIME OF THE TERMINATION, THE INSURER SHALL DO
9 BOTH OF THE FOLLOWING:
10 (A) NOTIFY THE INSURED ON A TIMELY BASIS OF THE
11 TERMINATION.

1 (B) WITH THE PROVIDER'S CONSENT, PERMIT THE INSURED TO
2 CONTINUE AN ONGOING COURSE OF TREATMENT WITH THE PROVIDER FOR A
3 TRANSITIONAL PERIOD AS PROVIDED IN THIS SECTION.

4 (3) EXCEPT AS PROVIDED IN SUBSECTIONS (5) AND (6), COVERAGE
5 UNDER THIS SECTION EXTENDS FOR A TRANSITIONAL PERIOD OF UP TO 90
6 DAYS FROM THE NOTICE DATE DESCRIBED IN SUBSECTION (2)(A).

7 (4) SUBJECT TO SUBSECTION (3), COVERAGE UNDER THIS SECTION
8 FOR INSTITUTIONAL OR INPATIENT CARE FROM A TERMINATED PROVIDER
9 EXTENDS UNTIL THE DISCHARGE OR TERMINATION OF THE INSTITUTIONAL-
10 IZATION PERIOD AND ALSO INCLUDES INSTITUTIONAL CARE PROVIDED
11 WITHIN A REASONABLE TIME OF THE DATE OF THE TERMINATION OF THE
12 PROVIDER STATUS IF EITHER OF THE FOLLOWING APPLIES:

13 (A) THE CARE WAS SCHEDULED BEFORE THE NOTICE DATE DESCRIBED
14 IN SUBSECTION (2)(A).

15 (B) THE INSURED WAS ON AN ESTABLISHED WAITING LIST OR OTHER-
16 WISE SCHEDULED TO HAVE THE CARE BEFORE THE NOTICE DATE DESCRIBED
17 IN SUBSECTION (2)(A).

18 (5) IF AN INSURED HAS ENTERED THE SECOND OR THIRD TRIMESTER
19 OF PREGNANCY AT THE TIME THAT HER PROVIDER WHO WAS TREATING THE
20 PREGNANCY WAS TERMINATED, COVERAGE UNDER THIS SECTION EXTENDS
21 THROUGH POSTPARTUM CARE DIRECTLY RELATED TO THE PREGNANCY.

22 (6) IF AN INSURED IS DETERMINED TO BE TERMINALLY ILL PRIOR
23 TO A PROVIDER'S TERMINATION AND THE PROVIDER WAS TREATING THE
24 TERMINAL ILLNESS BEFORE THE DATE OF TERMINATION, COVERAGE UNDER
25 THIS SECTION EXTENDS FOR THE REMAINDER OF THE INSURED'S LIFE FOR
26 CARE DIRECTLY RELATED TO THE TREATMENT OF THE TERMINAL ILLNESS.

1 (7) SUBSECTIONS (3) TO (6) APPLY ONLY IF THE HEALTH CARE
2 PROVIDER AGREES TO ALL OF THE FOLLOWING:

3 (A) TO ACCEPT AS PAYMENT IN FULL REIMBURSEMENT FROM THE
4 INSURER AND INSURED AT RATES APPLICABLE PRIOR TO THE START OF THE
5 TRANSITIONAL PERIOD.

6 (B) TO ADHERE TO THE INSURED'S STANDARDS FOR MAINTAINING
7 QUALITY HEALTH CARE AND TO PROVIDE TO THE INSURER NECESSARY MEDI-
8 CAL INFORMATION RELATED TO THE CARE.

9 (C) NOT TO IMPOSE COST-SHARING WITH THE INSURED IN AN AMOUNT
10 THAT WOULD EXCEED THE COST-SHARING THAT COULD HAVE BEEN IMPOSED
11 IF THE PARTICIPATION HAD NOT BEEN TERMINATED.

12 (8) AS USED IN THIS SECTION:

13 (A) "TERMINAL ILLNESS" MEANS THAT TERM AS DEFINED IN
14 SECTION 5653 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL
15 333.5653.

16 (B) "TERMINATED" OR "TERMINATION" INCLUDES THE EXPIRATION OR
17 NONRENEWAL OF A CONTRACT OR PARTICIPATION WITH A HEALTH CARE PRO-
18 VIDER BY AN INSURER, BUT DOES NOT INCLUDE A TERMINATION BY THE
19 INSURER FOR FAILURE TO MEET APPLICABLE QUALITY STANDARDS OR FOR
20 FRAUD.