

SUBSTITUTE FOR  
SENATE BILL NO. 296

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3406/.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3406/. (1) Except as otherwise provided in  
2 subsections (2) and (3), an expense-incurred hospital, medical,  
3 or surgical policy or certificate that provides benefits for  
4 emergency services shall provide for direct reimbursement to any  
5 provider of covered medical transportation services or shall  
6 provide that payment be made jointly to the insured and the  
7 provider, if that provider has not received payment for those  
8 services from any other source.  
9       (2) Subsection (1) does not apply to a transaction between an  
10 insurer and a medical transportation service provider if the  
11 parties have entered into a contract providing for direct

1 payment.

2       (3) An insurer for a policy or certificate issued under  
3 section 3405 or 3631 does not have to provide for direct  
4 reimbursement to any nonaffiliated or nonparticipating provider  
5 for medical transportation services that were not emergency  
6 health services as defined in section 3406k.

7       (4) Subsection (1) applies to an expense-incurred hospital,  
8 medical, or surgical policy or certificate that provides benefits  
9 for emergency health services if the policy or certificate is  
10 delivered, issued for delivery, or renewed in this state on or  
11 after April 1, 2004.