GROUP HEALTH PLAN ACT
Act 239 of 1995

AN ACT to regulate certain group health plans; to provide for certain powers and duties for certain persons; and to prescribe penalties.

History: 1995, Act 239, Eff. Mar. 28, 1996.

The People of the State of Michigan enact:

550.1801 Short title.

Sec. 1. This act shall be known and may be cited as the "group health plan act".

History: 1995, Act 239, Eff. Mar. 28, 1996.

550.1803 "Plan" defined.

Sec. 3. As used in this act, "plan" means a group health plan as defined in section 607 of part 6 of subtitle B of title 1 of the employee retirement income security act of 1974, Public Law 93-406, 29 U.S.C. 1167, and subject to that act.

History: 1995, Act 239, Eff. Mar. 28, 1996.

550.1805 Plan offering dependent coverage to child; denial of enrollment on certain grounds prohibited.

Sec. 5. A plan that offers dependent coverage shall not deny enrollment to a covered individual's child on any of the following grounds:

(a) The child was born out of wedlock.

(b) The child is not claimed as a dependent on the covered individual's federal income tax return.

(c) The child does not reside with the covered individual or in the plan's service area.

History: 1995, Act 239, Eff. Mar. 28, 1996.

550.1807 Eligibility of parent for dependent coverage; health coverage of child through noncustodial parent; duties of plan administrator; court or administrative order and notice required.

Sec. 7. (1) If a parent is eligible for dependent coverage through a plan, the plan administrator shall:

(a) Permit the parent to enroll, under the dependent coverage, a child who is otherwise eligible for coverage without regard to any enrollment season restrictions.

(b) If the parent is enrolled but fails to make application to obtain coverage for the child, enroll the child under dependent coverage upon application by the friend of the court or by the child's other parent through the friend of the court.

(c) Not eliminate the child's coverage unless premiums have not been paid as required by the plan or the plan administrator is provided with satisfactory written evidence of either of the following:

(*i*) The court or administrative order is no longer in effect.

(*ii*) The child is or will be enrolled in comparable health coverage through another plan, insurer, health care corporation, or health maintenance organization that will take effect not later than the effective date of the cancellation of the existing coverage.

(2) If a child has health coverage through the plan of a noncustodial parent, that plan administrator shall do all of the following:

(a) Provide the custodial parent with information necessary for the child to obtain benefits through that coverage.

(b) Permit the custodial parent or, with the custodial parent's approval, the provider to submit a claim for covered services without the noncustodial parent's approval.

(c) Make payment on claims submitted under subdivision (b) directly to the custodial parent or medical provider.

(3) This section applies only if a parent is required by a court or administrative order to provide health coverage for a child and the plan is notified of that court or administrative order.

History: 1995, Act 239, Eff. Mar. 28, 1996.

550.1809 Individual eligible under title XIX of social security act; assignment of rights of insured to department of social services.

Sec. 9. (1) A plan shall not consider whether an individual is eligible for or has available medical

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assistance under title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396g and 1396i to 1396v, in this or another state when considering eligibility for coverage or making payments for eligible covered individuals.

(2) If a plan has a legal liability to make payments, and payment for covered expenses for medical goods or services furnished to an individual has been made under the medical assistance program established under section 105 of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.105 of the Michigan Compiled Laws, the department of social services has the rights of the individual to payment by the plan to the extent payment was made by the department of social services's medical assistance program for those medical goods or services.

(3) If the department of social services has been assigned the rights of a covered individual who is eligible for medical assistance under section 105 of Act No. 280 of the Public Acts of 1939 and is covered by the plan, the plan shall not impose requirements on the department of social services that are different from requirements that apply to an agent or assignee of any other covered individual.

History: 1995, Act 239, Eff. Mar. 28, 1996.

550.1811 Violation; fine.

Sec. 11. A violation of this act is subject to a civil fine of not more than $500.00 for each violation.

History: 1995, Act 239, Eff. Mar. 28, 1996.

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