

**THE SOCIAL WELFARE ACT (EXCERPT)**  
**Act 280 of 1939**

**400.66k Office; creation; purpose; duties; powers; appeals procedure.**

Sec. 66k. (1) A county that establishes a patient care management system shall establish an office to which inquiries may be directed by health care providers under the system concerning the eligibility of patients and past admissions.

(2) An office created pursuant to subsection (1) shall be notified by health care providers of a patient's status and shall give or deny authorization for treatment on a timely basis. The office also shall review or provide for the review of utilization of services by patients and by health care providers under the patient care management system. An office may contract for the performance of its duties, subject to supervision of the contractor by the office.

(3) An office created pursuant to subsection (1) may do any of the following:

(a) Deny reimbursement to a health care provider for services determined by the office to be medically unnecessary for the treatment of a patient.

(b) Establish and publish medical protocols that permit either or both of the following:

(i) The denial of reimbursement to a health care provider if the services needed by an individual may be provided at another facility under the patient care management system at a lower cost and the patient is physically able to be transferred to that facility.

(ii) Reimbursement of the health care provider for the services rendered at the rate of reimbursement for that service at a facility which provides that service at a lower cost.

(4) An office created pursuant to subsection (1) shall implement an appeals procedure for providers of health care who are denied reimbursement, or who receive a lower rate of reimbursement, pursuant to subsection (3).

(5) An office created pursuant to subsection (1) shall develop and implement an appeals procedure for recipients of medical services under a patient care management system, by which a person can appeal the denial to him or her of any or all medical services provided under a patient care management system.

**History:** Add. 1987, Act 266, Imd. Eff. Dec. 28, 1987.

**Popular name:** Act 280