

Act No. 425  
Public Acts of 1998  
Approved by the Governor  
December 29, 1998  
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December 30, 1998  
EFFECTIVE DATE: April 1, 1999

STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1998

**Introduced by Reps. Hammerstrom, Law, Gire, Griffin, Crissman, Profit, Ciaramitaro, Rocca, Raczkowski, Olshove, Leland, Green, Cassis, Kukuk and Dalman**

## **ENROLLED HOUSE BILL No. 4685**

AN ACT to amend 1978 PA 368, entitled "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," by amending section 21052 (MCL 333.21052), as added by 1996 PA 472.

*The People of the State of Michigan enact:*

Sec. 21052. (1) By October 1, 1997, a health maintenance organization shall provide a written form in plain English to subscribers upon enrollment that describes the terms and conditions of the organization's contract. The form shall provide a clear, complete, and accurate description of all of the following, as applicable:

- (a) The service area.
- (b) Covered benefits, including prescription drug coverage, with specifications regarding requirements for the use of generic drugs.
- (c) Emergency health coverages and benefits.
- (d) Out-of-area coverages and benefits.
- (e) An explanation of enrollee financial responsibility for copayments, deductibles, and any other out-of-pocket expenses.
- (f) Provision for continuity of treatment in the event a provider's participation terminates during the course of an enrollee's treatment by that provider.
- (g) The telephone number to call to receive information concerning enrollee grievance procedures.
- (h) How the covered benefits apply in the evaluation and treatment of intractable pain. As used in this subdivision and in subsection (2):
- (j) "Board certified" means certified to practice in a medical or other health profession speciality by the American board of medical specialties or other national health professional organization.

(ii) "Intractable pain" means that term as defined in section 16204a(7) of the public health code, 1978 PA 368, MCL 333.16204a.

(i) A summary listing of the information available pursuant to subsection (2).

(2) By October 1, 1997, a health maintenance organization shall provide upon request to enrollees a clear, complete, and accurate description of any of the following information that has been requested:

(a) The current provider network in the contract's service area, including names and locations of participating providers by specialty or type of practice, a statement of limitations of accessibility and referrals to specialists, and a disclosure of which providers will not accept new enrollees.

(b) The professional credentials of participating health professionals, including, but not limited to, participating health professionals who are board certified in the specialty of pain medicine and the evaluation and treatment of intractable pain and have reported that certification to the health maintenance organization, including all of the following:

(i) Relevant professional degrees.

(ii) Date of certification by the applicable nationally recognized boards and other professional bodies.

(iii) The names of affiliated licensed facilities where the health professional presently has privileges for the treatment, illness, or procedure that is the subject of the request.

(c) The licensing verification telephone number for the Michigan department of consumer and industry services that can be accessed for information as to whether any disciplinary actions or open formal complaints have been taken or filed against a health care provider in the immediately preceding 3 years.

(d) Any prior authorization requirements and any limitations, restrictions, or exclusions, including, but not limited to, drug formulary limitations and restrictions by category of service, benefit, and provider, and, if applicable, by specific service, benefit, or type of drug.

(e) Indication of the financial relationships between the health maintenance organization and any closed provider panel including all of the following as applicable:

(i) Whether a fee-for-service arrangement exists, under which the provider is paid a specified amount for each covered service rendered to the participant.

(ii) Whether a capitation arrangement exists, under which a fixed amount is paid to the provider for all covered services that are or may be rendered to each covered individual or family.

(iii) Whether payments to providers are made based on standards relating to cost, quality, or patient satisfaction.

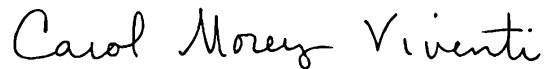
(f) A telephone number and address to obtain from the health maintenance organization additional information concerning the items described in subdivisions (a) to (e).

(3) Upon request, any of the information provided under subsection (2) shall be provided in writing. A health maintenance organization may require that a request under subsection (2) be submitted in writing.

Enacting section 1. This amendatory act takes effect April 1, 1999.



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Clerk of the House of Representatives.



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Secretary of the Senate.

Approved \_\_\_\_\_

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Governor.