

SENATE BILL NO. 534

April 21, 1999, Introduced by Senator BYRUM and referred to the
Committee on Health Policy.

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
(MCL 550.1101 to 550.1704) by adding section 402c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 402C. (1) IF PARTICIPATION BETWEEN A HEALTH CARE COR-
2 PORATION AND A HEALTH CARE PROVIDER IS TERMINATED OR BENEFITS OR
3 COVERAGE PROVIDED BY A HEALTH CARE PROVIDER IS TERMINATED BECAUSE
4 OF A CHANGE IN THE TERMS OF PROVIDER PARTICIPATION IN A GROUP
5 CERTIFICATE AND A COVERED MEMBER IS UNDERGOING A COURSE OF TREAT-
6 MENT FROM THE PROVIDER AT THE TIME OF THE TERMINATION, THE HEALTH
7 CARE CORPORATION SHALL DO BOTH OF THE FOLLOWING:
8 (A) NOTIFY THE MEMBER ON A TIMELY BASIS OF THE TERMINATION.
9 (B) WITH THE PROVIDER'S CONSENT, PERMIT THE MEMBER TO
10 CONTINUE AN ONGOING COURSE OF TREATMENT WITH THE PROVIDER FOR A
11 TRANSITIONAL PERIOD AS PROVIDED IN THIS SECTION IF IT IS

1 MEDICALLY NECESSARY FOR THE MEMBER TO CONTINUE AN ONGOING COURSE
2 OF TREATMENT WITH THE PROVIDER.

3 (2) EXCEPT AS PROVIDED IN SUBSECTIONS (3) AND (4), COVERAGE
4 UNDER THIS SECTION EXTENDS FOR A TRANSITIONAL PERIOD OF UP TO 120
5 DAYS FROM THE NOTICE DATE DESCRIBED IN SUBSECTION (1)(A).

6 (3) IF A MEMBER IS PREGNANT, MEDICAL NECESSITY IS CONSIDERED
7 DEMONSTRATED AND COVERAGE UNDER THIS SECTION EXTENDS THROUGH
8 POSTPARTUM CARE DIRECTLY RELATED TO THE PREGNANCY.

9 (4) IF A MEMBER IS DETERMINED TO BE TERMINALLY ILL PRIOR TO
10 A PROVIDER'S TERMINATION AND THE PROVIDER WAS TREATING THE TERMI-
11 NAL ILLNESS BEFORE THE DATE OF TERMINATION, COVERAGE UNDER THIS
12 SECTION EXTENDS FOR THE REMAINDER OF THE MEMBER'S LIFE FOR CARE
13 DIRECTLY RELATED TO THE TREATMENT OF THE TERMINAL ILLNESS.

14 (5) AS USED IN THIS SECTION:

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

18 (B) "TERMINATED" OR "TERMINATION" INCLUDES THE EXPIRATION OR
19 NONRENEWAL OF A CONTRACT OR PARTICIPATION WITH A HEALTH CARE PRO-
20 VIDER BY A HEALTH CARE CORPORATION, BUT DOES NOT INCLUDE A TERMI-
21 NATION BY THE HEALTH CARE CORPORATION FOR FAILURE TO MEET APPLI-
22 CABLE QUALITY STANDARDS OR FOR FRAUD.