

PRUDENT PURCHASER ACT (EXCERPT)
Act 233 of 1984

550.54 Discrimination prohibited; complaint of violation; hearing; penalty.

Sec. 4.

An organization shall not refuse to enter into a prudent purchaser agreement with a health care provider on the basis of religion, race, color, national origin, age, sex, or marital status. Upon receipt of a complaint of a violation of this section, in a form satisfactory to the commissioner, and if the commissioner has probable cause to believe that such a violation has occurred, the commissioner shall conduct a hearing pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.315 of the Michigan Compiled Laws. If after such hearing the commissioner determines the organization has violated this section, the commissioner may do 1 or more of the following:

- (a) Issue a cease and desist order requiring the organization to cease and desist from engaging in the conduct prohibited by this section.
- (b) Issue a cease and desist order requiring the organization to enter into a prudent purchaser agreement with a health care provider.
- (c) Impose a fine of not more than \$500.00 for each violation, but not to exceed an aggregate fine of \$5,000.00, unless the organization knew or reasonably should have known it was violating this section, in which case the fine shall not be more than \$2,500.00 for each violation and shall not exceed an aggregate fine of \$25,000.00 for all violations committed in a 6-month period.
- (d) Suspend, limit, or revoke the organization's license or certificate of authority.

History: 1984, Act 233, Eff. Dec. 20, 1984

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the insurance bureau and the commissioner of insurance to the commissioner of the office of financial and insurance services and the office of financial and insurance services, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.