

# HOUSE BILL No. 5774

April 23, 1998, Introduced by Reps. Stallworth, Kilpatrick, Hale and Thomas and referred to the Committee on Health Policy.

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
(MCL 333.1101 to 333.25211) by adding part 29.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1                                   PART 29. HEALTH INFORMATION  
2           SEC. 2901. AS USED IN THIS PART:  
3           (A) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE MICHIGAN  
4 HEALTH DATA INSTITUTE.  
5           (B) "CONSUMER" MEANS AN INDIVIDUAL WHO IS NEITHER A PROVIDER  
6 NOR A PURCHASER.  
7           (C) "DATA BASE" MEANS THE MICHIGAN COMPARATIVE HEALTH DATA  
8 BASE DEVELOPED UNDER THIS PART.  
9           (D) "DATA CORPORATION" MEANS THE MICHIGAN HEALTH DATA BASE  
10 CORPORATION ESTABLISHED BY THE BOARD UNDER SECTION 2911.

1 (E) "DATA PLAN" MEANS A DATA PLAN APPROVED AND MADE  
2 EFFECTIVE UNDER SECTION 2909.

3 (F) "INSTITUTE" MEANS THE MICHIGAN HEALTH DATA INSTITUTE  
4 CREATED IN SECTION 2903.

5 (G) "PROVIDER" MEANS 1 OR MORE OF THE FOLLOWING:

6 (i) A HEALTH PROFESSIONAL LICENSED OR REGISTERED UNDER THE  
7 LAWS OF THIS STATE.

8 (ii) AN INDIVIDUAL WHO IS AN OFFICER OF OR IS EMPLOYED BY OR  
9 UNDER EMPLOYMENT CONTRACT TO A HEALTH-RELATED ORGANIZATION  
10 INCLUDING, BUT NOT LIMITED TO, A HEALTH FACILITY OR AGENCY  
11 LICENSED UNDER ARTICLE 17.

12 (iii) AN ASSOCIATION REPRESENTING HEALTH PROFESSIONALS OR  
13 HEALTH FACILITIES.

14 (H) "PRUDENT PURCHASER ACT" MEANS THE PRUDENT PURCHASER ACT,  
15 1984 PA 233, MCL 550.51 TO 550.63.

16 (I) "PURCHASER" MEANS AN OFFICER OF OR AN INDIVIDUAL  
17 EMPLOYED BY OR UNDER EMPLOYMENT CONTRACT TO AN ORGANIZATION THAT  
18 PURCHASES OR PROVIDES HEALTH BENEFITS INCLUDING, BUT NOT LIMITED  
19 TO, 1 OF THE FOLLOWING:

20 (i) AN INSURER AS DEFINED UNDER THE INSURANCE CODE OF 1956.

21 (ii) A HEALTH CARE CORPORATION INCORPORATED UNDER THE NON-  
22 PROFIT HEALTH CARE CORPORATION REFORM ACT.

23 (iii) AN ORGANIZATION THAT PURCHASES OR PROVIDES A HEALTH  
24 CARE PAYMENT OR BENEFITS PLAN.

25 (iv) A COALITION OR ASSOCIATION OF PURCHASERS.

26 (J) "THE INSURANCE CODE OF 1956" MEANS THE INSURANCE CODE OF  
27 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

1 (K) "THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT" MEANS  
2 THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350,  
3 MCL 550.1101 TO 550.1704.

4 SEC. 2903. (1) THE MICHIGAN HEALTH DATA INSTITUTE IS CRE-  
5 ATED AS A PUBLIC BODY CORPORATE AND POLITIC IN THE EXECUTIVE  
6 OFFICE OF THE GOVERNOR. WITHIN 90 DAYS AFTER THE EFFECTIVE DATE  
7 OF A DATA PLAN, BUT NOT LATER THAN 2 YEARS AFTER THE EFFECTIVE  
8 DATE OF THIS PART, THE GOVERNOR SHALL REASSIGN THE INSTITUTE TO A  
9 PRINCIPAL EXECUTIVE DEPARTMENT. THE INSTITUTE SHALL EXERCISE ITS  
10 PRESCRIBED STATUTORY POWERS, DUTIES, AND FUNCTIONS INDEPENDENTLY  
11 OF THE DIRECTOR OF THE PRINCIPAL EXECUTIVE DEPARTMENT TO WHICH IT  
12 IS REASSIGNED.

13 (2) THE POWERS AND DUTIES OF THE INSTITUTE ARE VESTED IN AND  
14 SHALL BE EXERCISED BY A BOARD OF DIRECTORS CONSISTING OF 13 MEM-  
15 BERS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE  
16 SENATE.

17 (3) SUBJECT TO SUBSECTIONS (5) AND (6), IN MAKING APPOINT-  
18 MENTS TO THE BOARD, THE GOVERNOR SHALL, TO THE EXTENT FEASIBLE,  
19 ASSURE THAT THE MEMBERSHIP OF THE BOARD IS BROADLY REPRESENTATIVE  
20 OF THE INTERESTS OF ALL THE PEOPLE OF THIS STATE.

21 (4) THE GOVERNOR SHALL APPOINT THE INITIAL BOARD OF DIREC-  
22 TORS WITHIN 3 MONTHS AFTER THE EFFECTIVE DATE OF THIS PART.

23 (5) THE GOVERNOR SHALL AGAIN APPOINT MEMBERS TO THE BOARD  
24 WITHIN 90 DAYS AFTER THE INITIAL DATA PLAN TAKES EFFECT. IN  
25 MAKING APPOINTMENTS UNDER THIS SUBSECTION, THE GOVERNOR MAY  
26 APPOINT SOME OR ALL OF THE INITIAL MEMBERS APPOINTED UNDER  
27 SUBSECTION (4). IN MAKING APPOINTMENTS TO THE BOARD UNDER THIS

1 SUBSECTION, THE GOVERNOR SHALL ASSURE THAT THE PROVIDER MEMBERS  
2 OF THE BOARD APPROPRIATELY REPRESENT THE PREDOMINANT SOURCES OF  
3 DATA ACCORDING TO THE DATA PLAN IN EFFECT AT THE TIME THE  
4 APPOINTMENTS ARE MADE.

5 (6) THE GOVERNOR SHALL MAKE THE APPOINTMENTS UNDER THIS SEC-  
6 TION TO ASSURE REPRESENTATION OF CONSUMERS, PROVIDERS, AND PUR-  
7 CHASERS OF HEALTH CARE. NEITHER THE TOTAL NUMBER OF PROVIDERS  
8 NOR THE TOTAL NUMBER OF PURCHASERS APPOINTED BY THE GOVERNOR  
9 SHALL CONSTITUTE A MAJORITY OF MEMBERS OF THE BOARD.

10 (7) EXCEPT FOR THE INITIAL MEMBERS AND THE MEMBERS APPOINTED  
11 IMMEDIATELY SUBSEQUENT TO THE INITIAL MEMBERS, A MEMBER OF THE  
12 BOARD SHALL SERVE FOR A TERM OF 3 YEARS OR UNTIL A SUCCESSOR IS  
13 APPOINTED. AN INITIAL MEMBER SHALL SERVE FOR A TERM EXPIRING 90  
14 DAYS AFTER THE FIRST DATA PLAN IS APPROVED AND MADE EFFECTIVE  
15 UNDER SECTION 2909. OF THE MEMBERS APPOINTED AFTER THE INITIAL  
16 DATA PLAN TAKES EFFECT, 4 OF THE MEMBERS SHALL BE APPOINTED FOR A  
17 TERM OF 1 YEAR, 4 OF THE MEMBERS SHALL BE APPOINTED FOR A TERM OF  
18 2 YEARS, AND 5 OF THE MEMBERS SHALL BE APPOINTED FOR A TERM OF 3  
19 YEARS. A VACANCY ON THE BOARD SHALL BE FILLED FOR THE BALANCE OF  
20 THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL  
21 APPOINTMENT. TO THE EXTENT FEASIBLE, THE GOVERNOR SHALL MAKE  
22 APPOINTMENTS TO THE BOARD SO THAT CONSUMER, PROVIDER, AND PUR-  
23 CHASER MEMBERS ARE EQUALLY DIVIDED AMONG THE DIFFERENT TERMS.

24 (8) MEMBERS OF THE BOARD ARE SUBJECT TO ALL OF THE  
25 FOLLOWING:

26 (A) 1968 PA 317, MCL 15.321 TO 15.330, AN ACT REGULATING  
27 CONTRACTS OF PUBLIC SERVANTS WITH PUBLIC ENTITIES.

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1 (B) 1973 PA 196, MCL 15.341 TO 15.348, AN ACT PRESCRIBING  
2 STANDARDS OF CONDUCT FOR PUBLIC OFFICERS AND EMPLOYEES.

3 (C) 1978 PA 472, MCL 4.411 TO 4.431, AN ACT REGULATING LOB-  
4 BYISTS, LOBBYING AGENTS, AND LOBBYING ACTIVITIES.

5 (9) THE BUSINESS THAT THE BOARD PERFORMS SHALL BE CONDUCTED  
6 AT A PUBLIC MEETING OF THE BOARD HELD IN COMPLIANCE WITH THE OPEN  
7 MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. PUBLIC NOTICE  
8 OF THE TIME, DATE, AND PLACE OF THE MEETING SHALL BE GIVEN IN THE  
9 MANNER REQUIRED BY THAT ACT.

10 (10) SUBJECT TO SECTIONS 2919 AND 2921, A WRITING PREPARED,  
11 OWNED, USED, IN THE POSSESSION OF, OR RETAINED BY THE BOARD IN  
12 THE PERFORMANCE OF AN OFFICIAL FUNCTION SHALL BE MADE AVAILABLE  
13 TO THE PUBLIC IN COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT,  
14 1976 PA 442, MCL 15.231 TO 15.246.

15 SEC. 2905. (1) THE BOARD SHALL, WITHIN 1 MONTH AFTER  
16 APPOINTMENT AND CONFIRMATION OF ALL MEMBERS, ADOPT BYLAWS FOR THE  
17 OPERATION OF THE INSTITUTE. THE BYLAWS SHALL INCLUDE, AT A MINI-  
18 MUM, VOTING PROCEDURES THAT PROTECT AGAINST CONFLICT OF INTEREST  
19 AND ARE IN COMPLIANCE WITH THE STATUTES LISTED IN SECTION  
20 2903(8), AND MINIMUM REQUIREMENTS FOR ATTENDANCE AT MEETINGS.

21 (2) THE GOVERNOR MAY REMOVE A BOARD MEMBER FROM OFFICE FOR  
22 FAILURE TO ATTEND 3 CONSECUTIVE MEETINGS IN A 1-YEAR PERIOD.

23 (3) AT THE BEGINNING OF EACH CALENDAR YEAR, THE BOARD SHALL  
24 ELECT A CHAIRPERSON AND VICE-CHAIRPERSON.

25 (4) THE BOARD SHALL MEET AS OFTEN AS NECESSARY TO FULFILL  
26 ITS DUTIES UNDER THIS PART. MEETINGS SHALL BE CALLED BY THE  
27 CHAIRPERSON OR BY NOT LESS THAN 5 BOARD MEMBERS.

1 (5) A MAJORITY OF THE BOARD MEMBERS APPOINTED AND SERVING  
2 CONSTITUTES A QUORUM. ACTION BY THE BOARD SHALL BE ONLY BY  
3 AFFIRMATIVE VOTE OF A MAJORITY OF THE BOARD MEMBERS APPOINTED AND  
4 SERVING. A BOARD MEMBER SHALL NOT VOTE BY PROXY.

5 (6) EXPENSES OF MEMBERS INCURRED IN THE PERFORMANCE OF OFFI-  
6 CIAL DUTIES SHALL BE REIMBURSED PURSUANT TO THE STANDARDIZED  
7 TRAVEL REGULATIONS OF THE DEPARTMENT OF MANAGEMENT AND BUDGET.

8 Enacting section 1. This amendatory act does not take  
9 effect unless all of the following bills of the 89th Legislature  
10 are enacted into law:

11 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_  
12 (request no. 02089'97).

13 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_  
14 (request no. 02090'97).

15 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_  
16 (request no. 02091'97 a).

17 (d) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_  
18 (request no. 02092'97).