

REPRINT

**SUBSTITUTE FOR  
SENATE BILL NO. 1426**

(As Passed the Senate November 28, 2000)

A bill to amend 1980 PA 350, entitled  
"The nonprofit health care corporation reform act,"  
by amending section 403 (MCL 550.1403).

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

1       Sec. 403. (1) A health care corporation, on a timely basis,  
2 shall pay to a member or a participating provider benefits as are  
3 entitled and provided under the applicable certificate. When not  
4 paid on a timely basis, benefits payable to a member shall bear  
5 simple interest from a date 60 days after a satisfactory claim  
6 form was received by the health care corporation, at a rate of  
7 12% interest per annum. The interest shall be paid in addition  
8 to, and at the time of payment of, the claim. SECTION 2006(7) TO  
9 (12) OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.2006,  
10 APPLIES TO A HEALTH CARE CORPORATION.

**SB1426, As Passed House, December 5, 2000**

Senate Bill No. 1426

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1       (2) A health care corporation shall specify in writing the  
2 materials ~~which~~ THAT constitute a satisfactory claim form not  
3 later than 30 days after receipt of a claim, unless the claim is  
4 settled within 30 days. If a claim form is not supplied as to  
5 the entire claim, the amount supported by the claim form shall be  
6 considered to be paid on a timely basis if paid within 60 days  
7 after receipt of the claim form by the corporation. THIS SUBSEC-  
8 TION DOES NOT APPLY TO A HEALTH CARE CORPORATION WHEN PAYING A  
9 CLAIM UNDER SECTION 2006(7) TO (12) OF THE INSURANCE CODE OF  
10 1956, 1956 PA 218, MCL 500.2006.

11       Enacting section 1. This amendatory act takes effect on  
12 January 1, 2001 and applies to all health care claims submitted  
13 for payment on and after January 1, 2001.

14       Enacting section 2. This amendatory act does not take  
15 effect unless Senate Bill No. 694 of the 90th Legislature is  
16 enacted into law.