

HOUSE BILL No. 4756

June 3, 1999, Introduced by Rep. Richner and referred to the Committee on Family and Civil Law.

A bill to amend 1984 PA 218, entitled
"Third party administrator act,"
by amending section 34 (MCL 550.934) and by adding section 35.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 34. (1) A TPA shall provide for the confidentiality of
2 personal data identifying an individual covered by a plan. A TPA
3 shall not disclose records containing personal information that
4 may be associated with an identifiable individual covered by a
5 plan to a person other than the individual to whom the informa-
6 tion pertains. Except as is necessary to comply with a court
7 order, an administrator shall not disclose personal data concern-
8 ing a covered individual without the prior consent of the covered
9 individual. If the individual covered by a plan has authorized
10 the release of information to a third person, the third person

1 shall not release that information unless the individual executes
2 in writing another consent authorizing the additional release.

3 (2) Subsection (1) ~~shall~~ DOES not ~~be construed to~~ apply
4 to information disclosed for any of the following reasons:

5 (a) For claims adjudication.

6 (b) For claims verification.

7 (c) For other proper plan administration.

8 (d) For an audit conducted pursuant to ERISA.

9 (e) To an insurer for the purchase of excess loss insurance
10 and for claims under the excess loss insurance. However, an
11 insurer obtaining information under this subdivision ~~shall be~~
12 IS subject to the requirements of subsection (1).

13 (f) To the plan or a fiduciary of the plan.

14 (g) To the commissioner. However, information obtained by
15 the commissioner under this subdivision ~~shall be~~ IS exempt from
16 disclosure under the freedom of information act, ~~Act No. 442 of~~
17 ~~the Public Acts of 1976, being sections 15.231 to 15.246 of the~~
18 ~~Michigan Compiled Laws~~ 1976 PA 442, MCL 15.231 TO 15.246.

19 (H) AS REQUIRED BY SECTION 35.

20 (I) ~~(h)~~ As required by law.

21 SEC. 35. A THIRD PARTY ADMINISTRATOR SHALL FURNISH TO ANY
22 PERSON PAYING FOR A BENEFIT PLAN EITHER DIRECTLY OR INDIRECTLY,
23 WITHIN 30 DAYS AFTER RECEIVING A WRITTEN REQUEST THEREFORE AND
24 UPON PAYMENT OF A REASONABLE CHARGE, ALL OF THE FOLLOWING INFOR-
25 MATION FOR THE BENEFIT PLAN FOR THE IMMEDIATELY PRECEDING
26 12-MONTH PERIOD:

- 1 (A) TOTAL NUMBER OF INDIVIDUALS COVERED.
- 2 (B) TOTAL NUMBER OF CLAIMS PAID.
- 3 (C) TOTAL NUMBER OF CLAIMS PENDING.
- 4 (D) TOTAL NUMBER OF CLAIMS EXCEEDING \$50,000.00 AND THE
5 AMOUNT OF EACH OF THOSE CLAIMS. INFORMATION UNDER THIS SUBDIVI-
6 SION SHALL NOT DISCLOSE PERSONAL DATA THAT MAY REVEAL THE IDEN-
7 TITY OF A COVERED INDIVIDUAL.
- 8 (E) CLAIMS EXPERIENCE DATA BY COVERAGE COMPONENT.
- 9 (F) ALL PERTINENT INFORMATION THAT IS NECESSARY FOR THE
10 PERSON TO OBTAIN COMPETITIVE BIDS FOR OTHER THIRD PARTY ADMINIS-
11 TRATOR SERVICES OR OTHER HEALTH CARE COVERAGE.