

**PRUDENT PURCHASER ACT (EXCERPT)**  
**Act 233 of 1984**

**550.53a Disclosure of financial relationships between organization and participating health care providers, health care facilities, or other entities.**

Sec. 3a.

An organization that establishes a prudent purchaser agreement shall disclose in writing to all purchasers of its coverage and to all covered members of its plans upon request the financial relationships between the organization and its participating health care providers, health care facilities, or other similar entities, including all of the following as applicable:

- (a) Whether a fee-for-service arrangement exists, under which the provider is paid a specified fee for each particular covered service rendered to each covered individual.
- (b) Whether a capitation arrangement exists, under which a fixed amount is paid to the provider for all covered services rendered to each covered individual.
- (c) Whether payments to providers are made according to how well the provider meets criteria regarding costs, quality, patient satisfaction, or other criteria.

**History:** Add. 1996, Act 518, Eff. Oct. 1, 1997

**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.