



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

ADOLESCENT SUBSTANCE ABUSE TREATMENT

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Senate Bill 309 (Substitute H-3) JUL 15 1988
Sponsor: Sen. William Sederburg
Senate Committee: Health Policy
House Committee: Insurance MICH. State Law Library

Complete to 6-29-88

A SUMMARY OF SENATE BILL 309 (SUBSTITUTE H-3)

The bill would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan, to require the corporation to enter into and maintain five-year contracts with at least five providers of inpatient, intermediate, and outpatient care to adolescent substance abuse patients on a demonstration project basis. (The term "adolescent" would refer to a person between 11 and 18.) Blue Cross-Blue Shield reimbursement rates for the projects would have to be commensurate with reimbursement rates for providers of similar care. The projects would be evaluated by a newly created seven-member Substance Abuse Advisory Committee, which would report at the conclusion of each project to the relevant House and Senate committees. By April 1, 1994, a final report would be due to include evaluations of and recommendations concerning the cost effectiveness of adolescent substance abuse treatment and the cost and effectiveness of the different levels of treatment, including inpatient, intermediate, and outpatient care and aftercare programs. The bill would take effect October 1, 1988.

A provider of adolescent substance abuse treatment who entered into the demonstration project contracts with Blue Cross-Blue Shield would have to agree to supply all data required to fulfill the objectives of the demonstration project and agree to work with the Substance Abuse Advisory Committee and Blue Cross-Blue Shield in conducting the evaluation of the demonstration program. A provider would also have to be accredited by the Joint Commission on Accreditation of Hospitals, the Council on Accreditation for Families and Children, or the American Osteopathic Association, and licensed by the Office of Substance Abuse Services and the Department of Social Services (as a child caring institution). A provider must also have obtained, where applicable, a certificate of need from the Department of Public Health and must agree to follow generally accepted accounting principles and practices.

The advisory committee would be established, with the cooperation of the Office of Substance Abuse Services (OSAS), under the direction of the Office of Health and Medical Affairs (OHMA). It would consist of: the director of OHMA or a designee; the administrator of OSAS or a designee; a representative from the Department of Public Health; two designees of the chief executive officer of Blue Cross and Blue Shield; a member of the family of an adolescent substance abuser appointed by OHMA; and a provider of adolescent substance abuse treatment appointed by OHMA.

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Senate Bill 309 (6-29-88)