

# HOUSE BILL No. 4978

June 19, 1991, Introduced by Reps. Baade, Olshove, Joe Young, Jr., Pitoniak, Gubow, Perry Bullard, Harder and Dobronski and referred to the Committee on Public Health.

A bill to amend Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," as amended, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, by adding sections 17037 and 17537.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 368 of the Public Acts of 1978, as  
2 amended, being sections 333.1101 to 333.25211 of the Michigan  
3 Compiled Laws, is amended by adding sections 17037 and 17537 to  
4 read as follows:

5 SEC. 17037. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION  
6 (2), A PHYSICIAN WHO AGREES TO RENDER A SERVICE COVERED UNDER  
7 TITLE XVIII TO AN INDIVIDUAL WHO IS A BENEFICIARY OF HEALTH  
8 INSURANCE UNDER TITLE XVIII PART B SHALL NOT CHARGE THE  
9 INDIVIDUAL AN AMOUNT IN EXCESS OF THE FOLLOWING:

1 (A) BEGINNING JANUARY 1, 1992, AND UNTIL JANUARY 1, 1994,  
2 115% OF THE REASONABLE CHARGE FOR THAT SERVICE.

3 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, BEGIN-  
4 NING JANUARY 1, 1994, 110% OF THE REASONABLE CHARGE FOR THAT  
5 SERVICE. IF THE STATEWIDE PERCENTAGE OF TITLE XVIII PART B  
6 CLAIMS BILLED AT OR BELOW THE REASONABLE CHARGE FOR FEDERAL  
7 FISCAL YEAR 1990 FAILS TO INCREASE BY 5% BY FEDERAL FISCAL YEAR  
8 1993, BEGINNING JANUARY 1, 1994 THE PHYSICIAN SHALL NOT CHARGE  
9 THE INDIVIDUAL AN AMOUNT IN EXCESS OF 105% OF THE REASONABLE  
10 CHARGE. IF IN ANY FEDERAL FISCAL YEAR SUBSEQUENT TO FEDERAL  
11 FISCAL YEAR 1993, THE STATEWIDE PERCENTAGE OF TITLE XVIII PART B  
12 CLAIMS BILLED AT OR BELOW THE REASONABLE CHARGE FAILS TO MAINTAIN  
13 A 5% ANNUAL INCREASE, THE PHYSICIAN SHALL NOT CHARGE THE INDIVID-  
14 UAL AN AMOUNT IN EXCESS OF 105% OF THE REASONABLE CHARGE.

15 (2) SUBSECTION (1) DOES NOT APPLY IF THE SERVICE RENDERED IS  
16 A HOME OR OFFICE VISIT, AS DETERMINED BY THE STATE DIRECTOR OF  
17 SOCIAL SERVICES.

18 (3) FOR PURPOSES OF SUBSECTION (1), THE DIRECTOR OF SOCIAL  
19 SERVICES ANNUALLY SHALL DETERMINE THE INCREASE IN THE STATEWIDE  
20 PERCENTAGE OF TITLE XVIII PART B CLAIMS BILLED AT OR BELOW THE  
21 REASONABLE CHARGE.

22 (4) AS USED IN THIS SECTION:

23 (A) "REASONABLE CHARGE" MEANS THE REASONABLE CHARGE FOR A  
24 SERVICE COVERED UNDER TITLE XVIII AS DETERMINED PERIODICALLY BY  
25 THE UNITED STATES SECRETARY OF HEALTH AND HUMAN SERVICES AND CER-  
26 TIFIED BY THE STATE DIRECTOR OF SOCIAL SERVICES.

1 (B) "TITLE XVIII" MEANS TITLE XVIII OF THE SOCIAL SECURITY  
2 ACT, CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1395 TO 1395b, 1395b-2,  
3 1395c TO 1395i, 1395i-2 TO 1395i-4, 1395j TO 1395t, 1395u TO  
4 1395w-2, 1395w-4 TO 1395zz AND 1395bbb TO 1395ccc.

5 (C) "TITLE XVIII PART B" MEANS PART B OF TITLE XVIII OF THE  
6 SOCIAL SECURITY ACT, CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1395j  
7 TO 1395t, 1395u TO 1395w-2, AND 1395w-4.

8 SEC. 17537. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION  
9 (2), A PHYSICIAN WHO AGREES TO RENDER A SERVICE COVERED UNDER  
10 TITLE XVIII TO AN INDIVIDUAL WHO IS A BENEFICIARY OF HEALTH  
11 INSURANCE UNDER TITLE XVIII PART B SHALL NOT CHARGE THE INDIVID-  
12 UAL AN AMOUNT IN EXCESS OF THE FOLLOWING:

13 (A) BEGINNING JANUARY 1, 1992, AND UNTIL JANUARY 1, 1994,  
14 115% OF THE REASONABLE CHARGE FOR THAT SERVICE.

15 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, BEGIN-  
16 NING JANUARY 1, 1994, 110% OF THE REASONABLE CHARGE FOR THAT  
17 SERVICE. IF THE STATEWIDE PERCENTAGE OF TITLE XVIII PART B  
18 CLAIMS BILLED AT OR BELOW THE REASONABLE CHARGE FOR FEDERAL  
19 FISCAL YEAR 1990 FAILS TO INCREASE BY 5% BY FEDERAL FISCAL YEAR  
20 1993, BEGINNING JANUARY 1, 1994 THE PHYSICIAN SHALL NOT CHARGE  
21 THE INDIVIDUAL AN AMOUNT IN EXCESS OF 105% OF THE REASONABLE  
22 CHARGE. IF IN ANY FEDERAL FISCAL YEAR SUBSEQUENT TO FEDERAL  
23 FISCAL YEAR 1993, THE STATEWIDE PERCENTAGE OF TITLE XVIII PART B  
24 CLAIMS BILLED AT OR BELOW THE REASONABLE CHARGE FAILS TO MAINTAIN  
25 A 5% ANNUAL INCREASE, THE PHYSICIAN SHALL NOT CHARGE THE INDIVID-  
26 UAL AN AMOUNT IN EXCESS OF 105% OF THE REASONABLE CHARGE.

1       (2) SUBSECTION (1) DOES NOT APPLY IF THE SERVICE RENDERED IS  
2 A HOME OR OFFICE VISIT, AS DETERMINED BY THE STATE DIRECTOR OF  
3 SOCIAL SERVICES.

4       (3) FOR PURPOSES OF SUBSECTION (1), THE DIRECTOR OF SOCIAL  
5 SERVICES ANNUALLY SHALL DETERMINE THE INCREASE IN THE STATEWIDE  
6 PERCENTAGE OF TITLE XVIII PART B CLAIMS BILLED AT OR BELOW THE  
7 REASONABLE CHARGE.

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9       (A) "REASONABLE CHARGE" MEANS THE REASONABLE CHARGE FOR A  
10 SERVICE COVERED UNDER TITLE XVIII AS DETERMINED PERIODICALLY BY  
11 THE UNITED STATES SECRETARY OF HEALTH AND HUMAN SERVICES AND CER-  
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15 1395c TO 1395i, 1395i-2 TO 1395i-4, 1395j TO 1395t, 1395u TO  
16 1395w-2, 1395w-4 TO 1395zz, AND 1395bbb TO 1395ccc.

17       (C) "TITLE XVIII PART B" MEANS PART B OF TITLE XVIII OF THE  
18 SOCIAL SECURITY ACT, CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1395j  
19 TO 1395t, 1395u TO 1395w-2, AND 1395w-4.