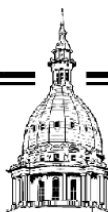




Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5571 (Substitute S-3 as reported)
Sponsor: Representative Laura Baird
House Committee: Health Policy
Senate Committee: Health Policy and Senior Citizens

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross and Blue Shield of Michigan (BCBSM), to prohibit BCBSM from excluding or limiting coverage for a preexisting condition for an individual covered under a group certificate. For a person covered under a nongroup certificate or under a certificate other than a group certificate, BCBSM could exclude or limit coverage for a condition only if the exclusion or limitation related to a condition for which medical advice, diagnosis, care, or treatment was recommended or received within six months before enrollment, and the exclusion or limitation did not extend over six months after the effective date of the certificate. A permitted period of exclusion or limitation would have to be reduced by the aggregate of the periods of creditable coverage applicable to the individual pursuant to the Federal Employee Retirement Income Security Act.

The bill would require BCBSM to continue in force an existing nongroup or group certificate at the option of an individual or group sponsor; require BCBSM, by October 1, 1997, to provide to subscribers, upon enrollment, a written document in plain English that described the terms and conditions of the organization's certificate; require BCBSM, by October 1, 1997, to provide, upon request by an enrollee for services offered under a prudent purchaser agreement, a clear, complete, and accurate description of the information specified in the bill; require that the internal procedures of BCBSM, regarding resolution of a dispute between an enrollee and BCBSM, provide that a final determination would be made in writing by the health care corporation within 90 calendar days after a grievance was submitted in writing by the enrollee or person authorized in writing to act on behalf of the enrollee; and require BCBSM to establish, as part of its internal procedures, an expedited grievance procedure, by October 1, 1997. The bill would take effect October 1, 1997.

MCL 550.1404 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

Please see FISCAL IMPACT on House Bill 5570.

Date Completed: 12-9-96

Fiscal Analyst: J. Walker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.