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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 732 (Substitute S-1 as passed by the Senate)  
Sponsor: Senator George A. McManus, Jr.  
Committee: Health Policy and Senior Citizens

Date Completed: 11-13-97

### **RATIONALE**

Public Act 270 of 1967 permits the release of confidential medical information to a "review entity", and establishes immunity for the release of that information. The Act lists several types of review entities, such as a State or county association of health care professionals, a hospital association, and a medical society. A person, organization, or entity may provide information or data to a review entity relating to the condition and care of patients and the performance of health care providers; the person, organization, or entity is not civilly or criminally liable for providing that information or data. Release or publication of the findings and conclusions of a review entity must be for the purpose of advancing health care research or education; maintaining the standards of health care professionals; providing evidence relating to ethics or discipline of a health care provider; or for other purposes provided in the Act. It has been pointed out that since the Act was written, several other forms of health care organizations have been created but are not included under the list of review entities. It has been suggested that the Act be amended to include these newer forms of health care organizations.

### **CONTENT**

The bill would amend Public Act 270 of 1967 to expand the Act's list of review entities to include an appointed peer review committee of a health care network, health care organization, or health care delivery system composed of licensed health professionals; and a health plan qualified under the program for medical assistance administered by the Department of Community Health under the Social Welfare Act.

MCL 331.531

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

The bill would include in the list of review entities health care organizations that have developed in recent years. Reportedly, a number of newer health care systems and modern medical groups have indicated that they do not feel that they can do in-depth quality review of their systems under current law, because they are not considered review entities. In order to improve the care provided by a variety of health care delivery systems, total candor is required so that individuals or organizations assigned a review function can address problems appropriately and implement procedures to reduce or eliminate the problems. The bill would recognize the changing medical marketplace by allowing these organizations to monitor quality standards free from liability concerns. This would make it easier for them to gather internal data and enhance quality control and provider competence.

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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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.