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

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Senate Bill 740 (Substitute S-1)  
Sponsor: Senator Dale L. Shugars  
Committee: Health Policy

Date Completed: 3-3-98

### **CONTENT**

The bill would amend the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross and Blue Shield of Michigan (BCBSM), to provide that any provision for a copayment or deductible that stated what percentage of a claim BCBSM would pay, and what percentage the subscriber would pay, would have to be calculated upon and applied toward "actual total costs"; that is, the amount the provider of a covered service had agreed to accept as payment in full from BCBSM for the service, rendered before a copayment or deductible was applied. The bill would apply to BCBSM policies delivered, issued for delivery, or renewed in 1999 or thereafter.

The bill is tie-barred to House Bills 5100 and 5101. House Bill 5100 would amend the Insurance Code, and House Bill 5101 would amend the Public Health Code, to place on policies delivered by insurers, or health maintenance organizations, respectively, requirements similar to those proposed in Senate Bill 740 (S-1).

Proposed MCL 550.1405a

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on State and local government.

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.