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

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House Bill 4392 (as reported without amendment)  
Sponsor: Representative Mary Schroer  
House Committee: Health Policy  
Senate Committee: Health Policy and Senior Citizens

### **CONTENT**

The bill would amend the Public Health Code to forbid a health maintenance organization (HMO) from prohibiting or discouraging a health professional: from discussing with an enrollee certain treatments, services, or financial arrangements; or from advocating on behalf of an enrollee for appropriate medical treatment options, pursuant to the grievance procedures specified in the Code.

The bill provides that an HMO could not prohibit or discourage a health professional from discussing with an enrollee health care treatments and services; quality assurance plans required by law, if applicable; or the financial relationships between the HMO and the health care provider. Financial relationships between the HMO and the provider would include whether:

- There existed a fee-for-service arrangement, under which the provider was paid a specified amount for each covered service rendered to the participant.
- There existed a capitation arrangement, under which a fixed amount was paid to the provider for all covered services that were or could be rendered to each covered individual or family.
- Payments to providers were made based on standards relating to cost, quality, or patient satisfaction.

Proposed MCL 333.21052a

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

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

Date Completed: 5-16-97

Fiscal Analyst: J. Walker

[floor/hb4392](#)

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.