
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bills 4392 and 4394 (as passed by the House)
Sponsor: Representative Mary Schroer (H.B. 4392)
Representative Joseph Palamara (H.B. 4394)
House Committee: Health Policy
Senate Committee: Health Policy and Senior Citizens

Date Completed: 5-12-97

CONTENT

House Bill 4392 would amend the Public Health Code, and House Bill 4394 would amend the Insurance Code, to forbid a health maintenance organization (HMO) or a disability insurer from prohibiting or discouraging a health professional: from discussing with an insured or enrollee certain treatments, services, or financial arrangements; or from advocating on behalf of an insured or enrollee for appropriate medical treatment options, pursuant to the grievance procedures specified in the Public Health Code and the Insurance Code, respectively.

The bills provide that an HMO or a disability insurer could not prohibit or discourage a health professional from discussing with an insured or enrollee health care treatments and services; quality assurance plans required by law, if applicable; or the financial relationships between the insurer (or HMO) and the health care provider. Financial relationships between the insurer (or 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 (H.B. 4392)
Proposed MCL 500.3407a (H.B. 4394)

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would have no fiscal impact on State or 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.