

SENATE BILL NO. 958

March 3, 1998, Introduced by Senators BOUCHARD and SHUGARS
and referred to the Committee on Health Policy and Senior
Citizens.

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
by amending section 404 (MCL 550.1404), as amended by 1996 PA
516.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 404. (1) A person who has reason to believe that a
2 health care corporation has violated section 402 or 403, if the
3 violation was with respect to an action or inaction of the corpo-
4 ration with respect to that person, is entitled to a private
5 informal managerial-level conference with the corporation, and to
6 a review before the commissioner or his or her designee if the
7 conference fails to resolve the dispute. IN ADDITION, A PROVIDER
8 WHO HAS REASON TO BELIEVE THAT A HEALTH CARE CORPORATION HAS
9 VIOLATED SECTION 402, 403, OR ANY OTHER PROVISION OF THIS ACT AND
10 WHO MAY BE ADVERSELY AFFECTED BY THE ALLEGED VIOLATION OR WHO HAS

1 A DISPUTE WITH THE CORPORATION OVER ANY MATTER THAT THE
2 CORPORATION CONSIDERS TO BE A MATTER OF POLICY INCLUDING ISSUES
3 PERTAINING TO REIMBURSEMENT METHODOLOGIES, RATES, AND PROCEDURES
4 IS ENTITLED TO A PRIVATE INFORMAL MANAGERIAL-LEVEL CONFERENCE
5 WITH THE CORPORATION, AND TO A REVIEW BEFORE THE COMMISSIONER OR
6 HIS OR HER DESIGNEE IF THE CONFERENCE FAILS TO RESOLVE THE
7 DISPUTE. AN AGREEMENT BETWEEN A HEALTH CARE CORPORATION AND A
8 PERSON THAT ATTEMPTS TO WAIVE THE RIGHTS PROVIDED UNDER THIS SUB-
9 SECTION IS UNENFORCEABLE.

10 (2) A health care corporation shall establish reasonable
11 internal procedures to provide a person with a private informal
12 managerial-level conference as provided in subsection (1). This
13 procedure shall provide that a final determination will be made
14 in writing by the health care corporation not later than 90 cal-
15 endar days after a grievance is submitted in writing by the
16 member or person, including, but not limited to, a physician,
17 authorized in writing to act on behalf of the member. The timing
18 for the 90-calendar-day period may be tolled, however, for any
19 period of time the member OR PERSON is permitted to take under
20 the grievance procedure. These procedures shall include all of
21 the following:

22 (a) A method of providing the person, upon request and pay-
23 ment of a reasonable copying charge, with information pertinent
24 to the denial of a certificate or to the rate charged.

25 (b) A method for resolving the dispute promptly and infor-
26 mally, while protecting the interests of both the person and the
27 corporation.

1 (3) If the health care corporation fails to provide a
2 conference and proposed resolution within 30 days after a request
3 by a person, or if the person disagrees with the proposed resolu-
4 tion of the corporation after completion of the conference, the
5 person is entitled to a determination of the matter by the com-
6 missioner or his or her designee.

7 (4) By October 1, 1997, a health care corporation shall
8 establish, as part of its internal procedures, an expedited
9 grievance procedure. The expedited grievance procedure shall
10 provide that an initial determination will be made by the health
11 care corporation not later than 72 hours after receipt of the
12 grievance. Within 3 business days after the initial determina-
13 tion by the health care corporation, the member or a person,
14 including, but not limited to, a physician, authorized in writing
15 to act on behalf of the member may request further review by the
16 health care corporation or for a determination of the matter by
17 the commissioner or his or her designee under this section. If
18 further review is requested, a final determination by the health
19 care corporation shall be made not later than 30 days after
20 receipt of the request for further review. Within 10 days after
21 receipt of a final determination, the member or a person, includ-
22 ing, but not limited to, a physician, authorized in writing to
23 act on behalf of the member may request a determination of the
24 matter by the commissioner or his or her designee under this
25 section. If the initial or final determination by the health
26 care corporation is made orally, the health care corporation
27 shall provide a written confirmation of the determination to the

1 member not later than 2 business days after the oral
2 determination. An expedited grievance under this subsection
3 applies if a grievance is submitted and a physician, orally or in
4 writing, substantiates that the time frame for a grievance under
5 subsections (1) to (3) would acutely jeopardize the life of the
6 member. This subsection does not apply to a provider's complaint
7 concerning claims payment, handling, or reimbursement for health
8 care services. As used in this subsection, "grievance" means an
9 oral or written statement, by a member or a person, including,
10 but not limited to, a physician, authorized in writing to act on
11 behalf of the member, to the health care corporation that the
12 health care corporation has wrongfully refused or failed to
13 respond in a timely manner to a request for benefits or payment.

14 (5) The commissioner shall by rule establish a procedure for
15 determination under this section, which shall be reasonably cal-
16 culated to resolve these matters informally and as rapidly as
17 possible, while protecting the interests of both the person and
18 the health care corporation.

19 (6) If either the health care corporation or the person dis-
20 agrees with a determination of the commissioner or his or her
21 designee under this section, the commissioner or his or her des-
22 ignee, if requested to do so by either party, shall proceed to
23 hear the matter as a contested case under the administrative pro-
24 cedures act.