

**Senate Bill 1208 (Substitute H-1)**  
**Sponsor: Rep. John J.H. Schwarz, M.D.**  
**Committee: Health Policy**

**Complete to 12-7-00**

## **A SUMMARY OF SENATE BILL 1208 (SUBSTITUTE H-1)**

Public Act 251 of 2000 created the Patient's Right to Independent Review Act (PRIRA). The act enables persons with health insurance to request a review by an independent review organization (IRO) to resolve disputes over covered benefits. Requests for reviews are submitted to the commissioner of the Office of Financial Services (OFIS). If a preliminary review by the commissioner determines that the request meets specified criteria for an external review, the case is assigned to an IRO. Under current language in the act, the IROs specifically review issues of medical necessity and clinical review criteria and the commissioner is charged with reviewing the recommendation of an IRO to ensure that it is not contrary to the terms of coverage under the person's health benefit plan.

Senate Bill 1208 would amend the PRIRA to allow the commissioner to keep a request for an external review and to conduct the external review if the request did not appear to involve issues of medical necessity or clinical review criteria, but only appeared to involve a question of the contractual provisions of a person's health benefit plan, such as covered benefits or accuracy of coding. A written notification, in plain English, would have to be provided by the commissioner within 14 days to the person making the request and to the health carrier that he or she would be keeping the plan for review. The commissioner would have to adhere to all time frames and all criteria in the act that pertain to external reviews done by IROs. If at any time during the commissioner's review of a disputed claim it appeared that the claim involved issues of medical necessity or clinical review criteria, the commissioner would have to immediately assign the request to an IRO. Since reviews could then be done by either an IRO or by the commissioner, some references in the act to an IRO would be changed to "reviewing entity".

The act specifies criteria that the commissioner must use when conducting a preliminary review of a request for an external review. The bill would add that the commissioner must determine whether the health care service that was the subject of the adverse determination or final adverse determination appeared to involve issues of medical necessity or clinical review criteria. The bill would also clarify that the commissioner would be required to assign issues of medical necessity or clinical review criteria to an IRO. Further, under the act, an external review decision and an expedited external review decision are the final administrative remedies available. The bill would add that a person could appeal the external review decision to an appropriate circuit court no later than 60 days from the date of the decision.

MCL 550.1911 et al.

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