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## BCBSM: GRIEVANCE PROCEDURE

House Bill 5573

Sponsor: Rep. Lauren Hager

Committee: Health Policy

Complete to 5-1-00

### A SUMMARY OF HOUSE BILL 5573 AS INTRODUCED 4-12-00

The bill would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross Blue Shield of Michigan, to make changes to the grievance procedure. Currently, a member is entitled to a managerial-level conference with representatives of the corporation to settle disputes over benefits or claims. If the dispute cannot be settled, the member is also entitled to a hearing with the commissioner of the Office of Financial and Insurance Services. The bill instead would specify that if the dispute cannot be resolved during the conference with BCBSM representatives (or if a conference was not provided within 30 days of the member's request), then the member would be entitled to a review, beginning October 1, 2000, before an independent review organization under the Patient's Right to Independent Review Act, which would be created by House Bill 5576.

Currently, the final determination in a dispute resolution must be made in writing by BCBSM within 90 days after the member submits a written grievance. The bill would reduce this time frame to 45 days. When an adverse determination is made, the bill would require BCBSM to provide, in writing, a statement with the reasons for the adverse determination, along with a written notification in plain English that the member has the right to request an external review under the Patient's Right to Independent Review Act. Under current law, BCBSM must have a method in place to provide summary data on the number and types of complaints and grievances that are filed. Beginning April 15, 2001, the bill would require summary data for the prior calendar year to be filed annually with the commissioner on forms provided by him or her.

The bill would delete a provision permitting the commissioner to establish by rule a procedure for determinations of disputes. It would also delete a provision permitting BCBSM or the member to request a hearing under the Administrative Procedures Act if either disagreed with the determination of the commissioner. Further, the bill would clarify that a member could give written authorization to any person, including, but not limited to, a physician, to act on his or her behalf at any stage in a grievance proceeding.

MCL 550.1404

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