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SFA BILL ANALYSIS

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Senate Bills 260, 261, and 262 (as introduced 2-4-99)
Senate Bill 414 (as introduced 3-4-99)
Sponsors: Senator John J. H. Schwarz, MD. (S.B. 260 & 414)
Senator Dianne Byrum (S.B. 261)
Senator Bev Hammerstrom (S.B. 262)
Committee: Health Policy

Date Completed: 3-9-99

CONTENT

The bills would amend four Acts to require health insurers, health maintenance organizations (HMOs), Blue Cross and Blue Shield of Michigan (BCBSM), and third party administrators (TPAs) to include coverage for certain equipment, supplies, and educational training for the treatment of diabetes, if recommended or prescribed by a physician. Under the bills, "diabetes" would include gestational diabetes, insulin-using diabetes, and non-insulin-using diabetes. Senate Bill 260 would amend the Nonprofit Health Care Corporation Reform Act, which governs BCBSM; Senate Bill 261 would amend the Insurance Code; Senate Bill 262 would amend the Public Health Code; and Senate Bill 414 would amend the Third Party Administrator Act.

Senate Bills 260-262

The bills would require BCBSM in each group and nongroup certificate, a health insurer that issued an expense-incurred hospital, medical, or surgical policy or certificate, and an HMO in each group and individual contract, to provide the following equipment, supplies, and educational training for diabetes treatment if recommended or prescribed by a physician: blood glucose monitors, and blood glucose monitors for the legally blind; data management systems; test strips for glucose monitors and visual reading and urine testing strips; insulin; injections aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances; insulin infusion devices; and oral agents for controlling blood sugar.

Further, a health certificate, policy, or contract also would have to provide for diabetes self-management training, if recommended or prescribed by a physician, to ensure that persons with diabetes were trained as to the proper self-management and treatment of their diabetic condition, including information on medical nutrition therapy. The coverage would be limited to visits medically necessary upon the diagnosis of diabetes; when a physician diagnosed a significant change in a patient's symptoms or conditions that necessitated changes in the patient's self-management; or when reeducation or refresher training was necessary and was recommended or prescribed by a physician. The training could be provided by the physician or a member of the physician's staff as part of an office visit for diabetes diagnosis or treatment, or by a diabetes outpatient training program certified to receive Medicaid or Medicare reimbursement. Training provided by an outpatient diabetic self-management program could be limited to group settings whenever practicable. Coverage for self-management training and medical nutrition therapy training also would include home visits if medically necessary.

Under the bills, benefits would not be subject to dollar limits, deductibles, or copayment provisions that were greater than those for physical illness generally.

Senate Bill 414

The bill would prohibit a TPA from entering into a service contract to administer a plan unless the plan included coverage for the same equipment, supplies, and educational training for the treatment of diabetes as required

under Senate Bills 260, 261, and 262. Senate Bill 414, however, would differ as follows:

-- Equipment, supplies, and training would have to be *prescribed* by a physician; "physician" would mean an allopathic or osteopathic physician or podiatrist.
-- A plan would not have to include coverage for data management systems.
-- A plan would have to include coverage for oral agents for controlling blood sugar, "if filled by a pharmacist".

Further, the bill would require a plan to include coverage for self-management training and medical nutrition therapy training, subject to all of the following:

-- It would be limited to one physician visit or completion of a certified diabetes education program: if considered medically necessary upon the diagnosis of diabetes; if a physician diagnosed a significant change in the patient's symptoms or conditions that necessitated changes in the patient's self-management, or a significant change in medical protocol or treatment modalities; or if reeducation or refresher training were necessary and were prescribed by a physician.
-- It could be provided by the physician as part of an office visit for diabetes diagnosis or treatment.
-- It could be provided by a diabetes outpatient training program certified by the Department of Community Health. (This training could be limited to group settings whenever practical.)
-- It included home visits if medically necessary.

Proposed MCL 550.416b (S.B. 260)
Proposed MCL 500.3406n (S.B. 261)
Proposed MCL 333.21053e (S.B. 262)
Proposed MCL 550.933 (S.B. 414)

Legislative Analyst: G. Towne

FISCAL IMPACT

Fiscal information is not available at this time.

Fiscal Analyst: J. Walker

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