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Senate Bill 1426 (as introduced 11-9-00)
Sponsor: Senator Bill Schuette
Committee: Health Policy

Date Completed: 11-14-00

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan (BCBSM), to specify that a proposed section of the Insurance Code, concerning a timely claims payment procedure, would apply to BCBSM. The proposed section is contained in Senate Bill 694, to which this bill is tie-barred. (Senate Bill 694 (H-1) as passed by the House would amend the Insurance Code to require a health plan, a health professional, and a health facility to follow a specified timely claims processing and payment procedure, which the Commissioner of the Office of Financial and Insurance Services would have to establish; and prescribe the content of the procedure, including a requirement that a clean claim be paid within 45 days after it was received by a health plan, or bear interest at a 12% annual rate. A pharmaceutical clean claim would have to be paid within 45 days or within the industry standard time frame for paying a claim, whichever was sooner.)

Currently, under the Act, BCBSM must specify in writing the materials that constitute a satisfactory claim form within 30 days after receiving a claim. If a claim form is not supplied as to the entire claim, the amount supported by the claim form is considered to be paid on a timely basis if paid within 60 days after receipt of the form by BCBSM. Under the bill, these provisions would not apply to BCBSM when it paid a claim pursuant to Senate Bill 694.

Senate Bill 1426 would take effect January 1, 2001, and apply to all health care claims submitted for payment after December 31, 2000.

MCL 550.1403

Legislative Analyst: G. Towne

FISCAL IMPACT

According to the Office of Financial and Insurance Services, the fiscal impact of this bill and Senate Bill 694 (H-1) is indeterminate. The additional responsibilities that would be required of the Office could require an increase of staff and other administrative costs.

Fiscal Analyst: M. Tyszkiewicz

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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.