

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4485 (Substitute S-1 as reported)
House Bill 4486 (Substitute S-1 as reported by the Committee of the Whole)
House Bill 4487 (Substitute S-1 as reported)
Sponsor: Representative Sandra Caul (H.B. 4485)
Representative Randy Richardville (H.B. 4486)
Representative Gerald Law (H.B. 4487)
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bills would amend three laws to provide for the continuation of health care under certain circumstances, in the event that participation between a health insurer and a primary care physician was terminated. House Bill 4485 (S-1) would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan (BCBSM). House Bill 4486 (S-1) would amend the Public Health Code in regard to health maintenance organizations (HMOs). House Bill 4487 (S-1) would amend the Insurance Code, regarding private health insurers. (A private insurer, an HMO, and BCBSM are referred to as an "insurer" below. An insured or enrollee is referred to as an "insured".)

If participation between a primary care physician and an insurer terminated, the physician could provide written notice of the termination, within 15 days after he or she became aware of it, to each insured who had chosen the physician as his or her primary care physician. If an insured were in an ongoing course of treatment with any other physician who was participating with the insurer, and the participation between the physician and the insurer terminated, the physician could provide written notice of this termination to the insured within 15 days after the physician became aware of the termination. These notices also could describe the procedure for continuing care as provided under the bills.

If participation between an insured's current physician and an insurer terminated, the insurer would have to permit the insured to continue an ongoing course of treatment with that physician as follows:

- For 90 days from the date of notice to the insured by the physician.
- If the insured were in her second or third trimester of pregnancy at the time of the physician's termination, through postpartum care directly related to the pregnancy.
- If the insured were determined to be terminally ill prior to a physician's termination or knowledge of the termination and the physician were treating the terminal illness before that date, for the remainder of the insured's life for care directly related to the treatment of the terminal illness.

This requirement would apply only if the physician agreed to do all of the following:

- In the case of BCBSM, participate on a per claim basis and accept as payment in full, reimbursement from BCBSM at the rates applicable before the termination.
- In the case of a private insurer, continue to accept as payment in full, reimbursement from the insurer at the rates applicable before the termination.
- In the case of an HMO, continue to render treatment and to accept as payment in full, reimbursement from the HMO at the rates applicable before the termination.
- Adhere to the insurer's standards for maintaining quality health care and provide to the insurer necessary medical information related to the care.
- Otherwise adhere to the insurer's policies and procedures, including, but not limited to, those concerning utilization review, referrals, preauthorizations, and treatment plans.

The bills would take effect July 1, 2000.

Proposed MCL 550.402c (H.B. 4485)
Proposed MCL 333.21052b (H.B. 4486)
Proposed MCL 500.2212b (H.B. 4487)

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would have no fiscal impact on State or local government. As this "continuation" would be predicated on the continuation of a health plan's existing procedures and payment levels, neither the plan nor its enrollee should experience increased cost. The terminating practitioner could experience some costs of notifying his or her existing patients if the practitioner decided to do so.

Date Completed: 10-20-99

Fiscal Analyst: J. Walker

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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.