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House Bill 5573 (Substitute H-1 as reported with amendments)
Sponsor: Representative Lauren Hager
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan (BCBSM), to revise current requirements regarding BCBSM's internal review procedures.

Currently, the Act prohibits BCBSM from performing certain activities regarding claims submitted to it by a member, and requires BCBSM to pay a member or participating provider applicable benefits on a timely basis. A person who has reason to believe that these provisions have been violated by BCBSM is entitled to a private, informal managerial-level conference with BCBSM, and to review before the Commissioner of the Office of Financial and Insurance Services if the conference fails to resolve the dispute. Further, if BCBSM fails to provide a conference and proposed resolution within 30 days after requested by a person, or if the person disagrees with the proposed resolution by BCBSM after completion of the conference, the person is entitled to a determination of the matter by the Commissioner. The bill provides that, beginning October 1, 2000, if a dispute could not be resolved during the informal conference, if BCBSM failed to provide a conference, or if the person disagreed with the resolution proposed by BCBSM, the person would be entitled to a review of the matter before an independent review organization under the "Patient's Right to Independent Review Act" proposed by House Bill 5576.

Under the current Act, BCBSM must make a final determination in a dispute within 90 days after a grievance is submitted by a member (or a physician acting on behalf of a member). The bill would shorten this period to 45 days. Also, when an adverse determination was made, BCBSM would have to give the member a written statement in plain English containing the reasons for the adverse determination, along with written notifications as required under the proposed Patient's Right to Independent Review Act.

The bill would delete provisions that allow a member to request further review by BCBSM and the Commissioner regarding an initial determination of an expedited grievance procedure. Instead, beginning October 1, 2000, a person could request a determination by an independent review organization.

MCL 550.1404

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 6-5-00

Fiscal Analyst: M. Tyszkiewicz
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