

**SUBSTITUTE FOR
HOUSE BILL NO. 5573**

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
by amending section 404 (MCL 550.1404), as amended by 1996
PA 516.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 404. (1) A person who has reason to believe that a
2 health care corporation has violated section 402 or 403, if the
3 violation was with respect to an action or inaction of the corpo-
4 ration with respect to that person, is entitled to a private
5 informal managerial-level conference with the corporation, and to
6 a review before the commissioner or his or her designee THROUGH
7 SEPTEMBER 30, 2000 AND BEGINNING OCTOBER 1, 2000 BEFORE AN INDE-
8 PENDENT REVIEW ORGANIZATION UNDER THE PATIENT'S RIGHT TO
9 INDEPENDENT REVIEW ACT, if the conference fails to resolve the
10 dispute.

Sub. H.B. 5573 (H-1) as amended May 24, 2000 2

1 (2) A health care corporation shall establish reasonable
2 internal procedures to provide a person with a private informal
3 managerial-level conference as provided in subsection (1). ~~This~~
4 ~~procedure shall provide that~~ THESE PROCEDURES SHALL PROVIDE ALL
5 OF THE FOLLOWING:

6 (A) THAT a final determination will be made in writing by
7 the health care corporation not later than ~~90~~ [25] calendar days
8 after a grievance is submitted in writing by the member. ~~or~~
9 ~~person, including, but not limited to, a physician, authorized in~~
10 ~~writing to act on behalf of the member.~~ The timing for the
11 ~~90-calendar-day~~ [25-CALENDAR-DAY] period may be tolled, however,
12 for any period of time the member is permitted to take under the
13 grievance procedure [AND FOR A PERIOD OF TIME THAT SHALL NOT EXCEED
5 DAYS IF THE HEALTH CARE CORPORATION HAS NOT RECEIVED REQUESTED
INFORMATION FROM A HEALTH PROVIDER]. ~~These procedures shall~~
14 ~~include all of the~~
14 following:

15 (B) ~~(a)~~ A method of providing the person, upon request and
16 payment of a reasonable copying charge, with information perti-
17 nent to the denial of a certificate or to the rate charged.

18 (C) ~~(b)~~ A method for resolving the dispute promptly and
19 informally, while protecting the interests of both the person and
20 the corporation.

21 (D) THAT WHEN AN ADVERSE DETERMINATION IS MADE, A WRITTEN
22 STATEMENT IN PLAIN ENGLISH CONTAINING THE REASONS FOR THE ADVERSE
23 DETERMINATION IS PROVIDED TO THE MEMBER ALONG WITH WRITTEN NOTI-
24 FICATIONS AS REQUIRED UNDER THE PATIENT'S RIGHT TO INDEPENDENT
25 REVIEW ACT.

26 (e) A method for providing summary data on the number and
27 types of complaints and grievances filed. BEGINNING APRIL 15,

1 2001, THIS SUMMARY DATA FOR THE PRIOR CALENDAR YEAR SHALL BE
2 FILED ANNUALLY WITH THE COMMISSIONER ON FORMS PROVIDED BY THE
3 COMMISSIONER.

4 (3) If the health care corporation fails to provide a con-
5 ference and proposed resolution within 30 days after a request by
6 a person, or if the person disagrees with the proposed resolution
7 of the corporation after completion of the conference, the person
8 is entitled to a determination of the matter by the commissioner
9 or his or her designee THROUGH SEPTEMBER 30, 2000 AND BEGINNING
10 OCTOBER 1, 2000 BY AN INDEPENDENT REVIEW ORGANIZATION UNDER THE
11 PATIENT'S RIGHT TO INDEPENDENT REVIEW ACT.

12 (4) ~~By October 1, 1997, a~~ A health care corporation shall
13 establish, as part of its internal procedures, an expedited
14 grievance procedure. The expedited grievance procedure shall
15 provide that ~~an initial~~ A determination will be made by the
16 health care corporation not later than 72 hours after receipt of
17 the grievance. ~~Within 3 business days after the initial deter-~~
18 ~~mination by the health care corporation, the member or a person,~~
19 ~~including, but not limited to, a physician, authorized in writing~~
20 ~~to act on behalf of the member may request further review by the~~
21 ~~health care corporation or for a determination of the matter by~~
22 ~~the commissioner or his or her designee under this section. If~~
23 ~~further review is requested, a final determination by the health~~
24 ~~care corporation shall be made not later than 30 days after~~
25 ~~receipt of the request for further review. Within 10 days after~~
26 receipt of a ~~final~~ determination, the member ~~or a person,~~
27 ~~including, but not limited to, a physician, authorized in writing~~

1 ~~to act on behalf of the member~~ may request a determination of
2 the matter by the commissioner or his or her designee ~~under this~~
3 ~~section~~ THROUGH SEPTEMBER 30, 2000 AND BEGINNING OCTOBER 1, 2000
4 BY AN INDEPENDENT REVIEW ORGANIZATION UNDER THE PATIENT'S RIGHT
5 TO INDEPENDENT REVIEW ACT. If the ~~initial or final~~ determina-
6 tion by the health care corporation is made orally, the health
7 care corporation shall provide a written confirmation of the
8 determination to the member not later than 2 business days after
9 the oral determination. An expedited grievance under this sub-
10 section applies if a grievance is submitted and a physician,
11 orally or in writing, substantiates that the time frame for a
12 grievance under subsections (1) to (3) would ~~acutely~~ SERIOUSLY
13 jeopardize the life OR HEALTH of the member OR WOULD JEOPARDIZE
14 THE MEMBER'S ABILITY TO REGAIN MAXIMUM FUNCTION. This subsection
15 does not apply to a provider's complaint concerning claims pay-
16 ment, handling, or reimbursement for health care services. As
17 used in this ~~subsection~~ SECTION, "grievance" means an oral or
18 written statement, by a member ~~or a person, including, but not~~
19 ~~limited to, a physician, authorized in writing to act on behalf~~
20 ~~of the member,~~ to the health care corporation that the health
21 care corporation has wrongfully refused or failed to respond in a
22 timely manner to a request for benefits or payment.

23 (5) The commissioner shall by rule establish a procedure for
24 determination under this section, which shall be reasonably cal-
25 culated to resolve these matters informally and as rapidly as
26 possible, while protecting the interests of both the person and
27 the health care corporation.

HB5573, As Passed House, May 24, 2000

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1 (6) If either the health care corporation or ~~the~~ A person
2 OTHER THAN A MEMBER disagrees with a determination of the commis-
3 sioner or his or her designee under this section, the commis-
4 sioner or his or her designee, if requested to do so by either
5 party, shall proceed to hear the matter as a contested case under
6 the administrative procedures act.

7 (7) A MEMBER MAY AUTHORIZE IN WRITING ANY PERSON, INCLUDING,
8 BUT NOT LIMITED TO, A PHYSICIAN, TO ACT ON HIS OR HER BEHALF AT
9 ANY STAGE IN A GRIEVANCE PROCEEDING UNDER THIS SECTION.