



HOUSE BILL No. 5573

April 12, 2000, Introduced by Reps. Hager, LaSata, Sanborn, Patterson, Birkholz, Kuipers, Allen, Shackleton, Bishop, Jelinek, Faunce, Voorhees, Kukuk, Scranton, Richardville, Law and Cassis and referred to the Committee on Health Policy.

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.

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~~ 45 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~~ 45-CALENDAR-DAY period may be tolled, however,
12 for any period of time the member is permitted to take under the
13 grievance procedure. ~~These procedures shall 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 CONTAINING THE REASONS FOR THE ADVERSE DETERMINATION IS
23 PROVIDED TO THE MEMBER ALONG WITH A WRITTEN NOTIFICATION IN PLAIN
24 ENGLISH OF THE RIGHT TO REQUEST AN EXTERNAL REVIEW UNDER THE
25 PATIENT'S RIGHT TO INDEPENDENT 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 determination will be made by the health
16 care corporation not later than 72 hours after receipt of the
17 grievance. Within 3 business days after the initial determina-
18 tion 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
23 THROUGH SEPTEMBER 30, 2000 AND BEGINNING OCTOBER 1, 2000 BY AN
24 INDEPENDENT REVIEW ORGANIZATION UNDER THE PATIENT'S RIGHT TO
25 INDEPENDENT REVIEW ACT. If further review is requested, a final
26 determination by the health care corporation shall be made not
27 later than 30 days after receipt of the request for further

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

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

1 ~~the health care corporation.~~ A MEMBER MAY AUTHORIZE IN WRITING
2 ANY PERSON, INCLUDING, BUT NOT LIMITED TO, A PHYSICIAN, TO ACT ON
3 HIS OR HER BEHALF AT ANY STAGE IN A GRIEVANCE PROCEEDING UNDER
4 THIS SECTION.

5 ~~(6) If either the health care corporation or the person~~
6 ~~disagrees with a determination of the commissioner or his or her~~
7 ~~designee under this section, the commissioner or his or her des=~~
8 ~~ignee, if requested to do so by either party, shall proceed to~~
9 ~~hear the matter as a contested case under the administrative pro=~~
10 ~~cedures act.~~