

SENATE BILL No. 951

February 1, 2000, Introduced by Senators KOIVISTO, A. SMITH, DINGELL, EMERSON, DE BEAUSSAERT, BYRUM and MURPHY 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 if the
7 conference fails to resolve the dispute.

8 (2) A health care corporation shall establish reasonable
9 internal procedures to provide a person with a private informal
10 managerial-level conference as provided in subsection (1). ~~This~~

1 ~~procedure shall provide that~~ THESE PROCEDURES SHALL PROVIDE ALL
2 OF THE FOLLOWING:

3 (A) THAT a final determination will be made in writing by
4 the health care corporation not later than ~~90~~ 30 calendar days
5 after a grievance is submitted in writing by the member. ~~or~~
6 ~~person, including, but not limited to, a physician, authorized in~~
7 ~~writing to act on behalf of the member.~~ The timing for the
8 ~~90-calendar-day~~ 30-CALENDAR-DAY period may be tolled, however,
9 for any period of time the member is permitted to take under the
10 grievance procedure. ~~These procedures shall include all of the~~
11 ~~following:~~

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

15 (C) ~~(b)~~ A method for resolving the dispute promptly and
16 informally, while protecting the interests of both the person and
17 the corporation.

18 (D) THAT WHEN AN ADVERSE DETERMINATION IS MADE, A WRITTEN
19 STATEMENT CONTAINING THE REASONS FOR THE ADVERSE DETERMINATION IS
20 PROVIDED TO THE MEMBER ALONG WITH A WRITTEN NOTIFICATION IN PLAIN
21 ENGLISH OF THE GRIEVANCE PROCEDURES INCLUDING THE RIGHT TO A
22 REVIEW BY THE COMMISSIONER OR HIS OR HER DESIGNEE.

23 (e) A method for providing summary data on the number and
24 types of complaints and grievances filed.

25 (3) If the health care corporation fails to provide a con-
26 ference and proposed resolution within 30 days after a request by
27 a person, or if the person disagrees with the proposed resolution

1 of the corporation after completion of the conference, the person
2 is entitled to a determination of the matter by the commissioner
3 or his or her designee.

4 (4) ~~By October 1, 1997, a~~ A health care corporation shall
5 establish, as part of its internal procedures, an expedited
6 grievance procedure. The expedited grievance procedure shall
7 provide that an initial determination will be made by the health
8 care corporation not later than 72 hours after receipt of the
9 grievance. Within 3 business days after the initial determina-
10 tion by the health care corporation, the member ~~or a person,~~
11 ~~including, but not limited to, a physician, authorized in writing~~
12 ~~to act on behalf of the member~~ may request further review by the
13 health care corporation or for a determination of the matter by
14 the commissioner or his or her designee under this section. If
15 further review is requested, a final determination by the health
16 care corporation shall be made not later than 30 days after
17 receipt of the request for further review. Within 10 days after
18 receipt of a final determination, 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 a determination of
21 the matter by the commissioner or his or her designee under this
22 section. If the initial or final determination by the health
23 care corporation is made orally, the health care corporation
24 shall provide a written confirmation of the determination to the
25 member not later than 2 business days after the oral
26 determination. An expedited grievance under this subsection
27 applies if a grievance is submitted and a physician, orally or in

1 writing, substantiates that the time frame for a grievance under
2 subsections (1) to (3) would acutely jeopardize the life of the
3 member. This subsection does not apply to a provider's complaint
4 concerning claims payment, handling, or reimbursement for health
5 care services. As used in this ~~subsection~~ SECTION, "grievance"
6 means an oral or written statement, by a member ~~or a person,~~
7 ~~including, but not limited to, a physician, authorized in writing~~
8 ~~to act on behalf of the member,~~ to the health care corporation
9 that the health care corporation has wrongfully refused or failed
10 to respond in a timely manner to a request for benefits or
11 payment.

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

17 (6) If either the health care corporation or the person dis-
18 agrees with a determination of the commissioner or his or her
19 designee under this section, the commissioner or his or her des-
20 ignee, if requested to do so by either party, shall proceed to
21 hear the matter as a contested case under the administrative pro-
22 cedures act.

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