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## HEALTH PLANS; MEDICAL DIRECTORS

**House Bill 4847**

**Sponsor: Rep. Marc Shulman**

**Committee: Insurance and Financial  
Services**

**Complete to 7-12-01**

### **A SUMMARY OF HOUSE BILL 4847 AS INTRODUCED 5-30-01**

House Bill 4847 would amend the Public Health Code (MCL 333.16105b et al.) to require a person who engages in “practice as a medical director” of a “health plan” to be licensed as either a physician of allopathic medicine (M.D.) or a physician of osteopathic medicine (D.O.). The bill would add definitions of “practice as a medical director” and “health plan” to the code. The definitions of practice of (allopathic) medicine and practice of osteopathic medicine would be expanded to include rendering determination of medical necessity or appropriateness of a proposed treatment.

The act currently authorizes the Department of Consumer and Industry Services to investigate activities related to the practice of a health profession by a licensee, a registrant, or an applicant for licensure or registration. The department must report its findings to the appropriate disciplinary subcommittee, as provided for in the act, and the subcommittee may impose sanctions for violations as specified in the act. Currently, conviction of a criminal offense under all but one section of the chapter of the Penal Code (MCL 750.520a to 750.520l) dealing with criminal sexual conduct (CSC) constitutes grounds for personal disqualification. The bill would specify that offenses specified in the remaining section of the chapter, dealing with DNA profiling, constituted grounds for personal disqualification as well. Sanctions for a licensee, a registrant, or an applicant who committed such an offense would be the same as those for other CSC-related offenses.

Further, the definition of “practice of medicine” would be expanded to include acting as a medical director and engaging in “utilization review” activities, which would be defined as the prospective, concurrent, or retrospective review and analysis of data related to utilization of health care resources in terms of cost, effectiveness, efficiency, control, and quality. The bill would prohibit a licensee, when acting as a medical director or in the course of utilization review activities, from failing to perform certain acts for the purpose of positively influencing the financial well-being of the licensee or the health plan. Proscribed acts would include: failure to refer; failure to offer appropriate procedures or studies; failure to protest inappropriate managed care denials; failure to provide a medically necessary and appropriate service; and failure to refer to an appropriate provider. A disciplinary subcommittee that found that a licensee had done any of the above would impose one or more of the following sanctions: a fine; probation, denial, suspension, or revocation of license; community service; and restitution.

Analyst: J. Caver

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