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BCBSM RATE FILING HEARINGS: ELIMINATE INDEPENDENT HEARING OFFICERS

House Bill 6351

Sponsor: Rep. Stephen Ehardt

**Committee: Insurance and Financial
Services**

Complete to 11-8-02

A SUMMARY OF HOUSE BILL 6351 AS INTRODUCED 9-24-02

The bill would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross Blue Shield of Michigan (BCBSM) to eliminate the use of independent hearing officers in administrative hearings. The bill would repeal Section 514 of the act, which currently requires all appeals under Part 5 to be held before an independent hearing officer selected by the commissioner of the Office of Financial and Insurance Services (OFIS). Independent hearing officers are selected from a list of qualified persons developed by the state court administrator. Part 5 pertains to contracts with health care providers, prudent purchaser agreements, group contracts, reimbursement requirements, and provider class plans.

Additionally, independent hearing officers are appointed to hold hearings regarding rate filings. These independent hearing officers are appointed by the commissioner and must be qualified to conduct hearings, have experience or education in the area of health care corporation or insurance rate determination and finance, and not be associated financially with a health care corporation or a health care provider; nor can the person be a state employee. The bill would instead require the commissioner or his or her designee to conduct a hearing according to the Administrative Procedures Act.

MCL 550.1514 and 550.1613

House Bill 6351 (11-8-02)

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.