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Senate Bill 663 (as introduced 9-20-01)
Sponsor: Senator Dale L. Shugars
Committee: Health Policy

Date Completed: 10-23-01

CONTENT

The bill would amend the Michigan Dignified Death Act to redefine "terminal illness" as "a disease or condition due to which, in the opinion of a physician, a patient has a reduced life expectancy". Currently, the term means "a disease or condition due to which, in the opinion of a physician, a patient's death is anticipated within 6 months after the date of the physician's opinion".

(The Act requires physicians to inform terminally ill patients about recommended medical treatment for the terminal illness; about alternatives to the recommended medical treatment; about the advantages, disadvantages, and risks of the recommended treatment and of each alternative treatment; and about the procedures involved in each treatment. A physician who is recommending medical treatment for terminal illness also must inform the patient that he or she may designate a patient advocate to make medical treatment decisions; that the patient has the right to make an informed decision regarding receiving, continuing, discontinuing, and refusing medical treatment for the terminal illness; and that the patient may choose palliative care treatment, including hospice care and pain management.

The Act also provides that a life insurer, health insurer, or health care payment or benefits plan may not, because a terminally patient has decided to refuse or discontinue a medical treatment as a result of information received under the Act, refuse to provide or continue benefits or coverage within the scope of an existing policy or contract, limit the amount of coverage or benefits available to the patient within the scope of an existing policy or contract, or charge the patient a different rate for coverage or benefits under an existing policy or contract.)

MCL 333.5653

Legislative Analyst: S. Lowe

FISCAL IMPACT

"Terminal illness" has long been the trigger criteria for an individual to receive hospice services and the explicit component of the definition for that term has been a life expectancy of six months or less. Senate Bill 663 would strike that salient and replace it with a situation in which a disease or condition resulted in a patient's having "a reduced life expectancy".

The potential fiscal impact is heavily reliant on how that definitional change might be interpreted. As an example, to the extent that hospice services are mandated, people could begin using hospice services much earlier in a disease process than under the existing definition. Whether or not this would cost more would depend on the curative/palliative cost trade-off. Clearly this change in definition would be problematic for patients funded by

Medicare and Medicaid, which retain the six-month criterion and provide for a limited number of "covered" days. In theory, a patient could end up paying for these services "out-of-pocket" at the time when he or she would need them the most.

Fiscal Analyst: J. Walker