
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 748 (Substitute S-1 as reported)
Senate Bill 749 (Substitute S-1 as reported)
Sponsor: Senator Bev Hammerstrom (S.B. 748)
Senator Bill Bullard, Jr. (S.B. 749)
Committee: Health Policy

CONTENT

Senate Bill 748 (S-1) would amend Chapter 38 of the Insurance Code, and Senate Bill 749 (S-1) would amend Part 4A of the Nonprofit Health Care Corporation Reform Act (which regulates Blue Cross and Blue Shield of Michigan), to revise the provisions in both the Code and the Act that regulate Medicare supplement policies and Medicare supplement certificates, respectively. (A Medicare supplement policy or certificate is insurance that supplements reimbursements under Medicare for hospital, medical, or surgical expenses of individuals eligible for Medicare or Medicare select policies or certificates. The provisions of Chapter 38 and Part 4A that regulate Medicare supplement policies are nearly identical in content.)

The bills would amend Chapter 38 and Part 4A in the same way, to do the following:

- Provide for the sale of high deductible plans.
- Add provisions to regulate Medicare+Choice plans (which are now allowed under Federal Medicare regulations).
- Allow a policyholder to suspend a Medicare supplement policy, and have the policy reinstated, under certain circumstances.
- Specify conditions under which an applicant for a Medicare supplement policy would not be excluded from coverage because of a preexisting condition.
- Specify individuals who would be eligible for coverage, and prescribe conditions under which people could not be denied coverage.
- Establish time periods during which eligible individuals would have to be allowed to enroll.
- Require notification when a plan was terminated.
- Repeal provisions that require an insurer to report each year to the Commissioner of the Office of Financial and Insurance Services, the policy and certificate number and date of issuance for every individual in the State for whom the insurer has more than one Medicare supplement policy or certificate in force.

MCL 500.3801 et al. (S.B. 748)
550.1451 et al. (S.B. 749)

Legislative Analyst: George Towne

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Date Completed: 3-1-02

Fiscal Analyst: John Walker