

**HEALTH BENEFITS: TIMELY
PAYMENT**

Senate Bill 588 (Substitute H-1)
Sponsor: Sen. Shirley Johnson

Addendum to SFA Analysis (2-11-04)

Senate Committee: Health Policy
House Committee: Insurance

ADDENDUM TO SENATE FISCAL AGENCY ANALYSIS OF SB 588 (H-1) DATED 12-10-03:

HOUSE COMMITTEE ACTION:

The House Committee on Insurance adopted a substitute that incorporated two amendments into the Senate-passed version of Senate Bill 588. The aim of the bill is to bring home health care providers and durable medical equipment providers under provisions in the Insurance Code requiring the timely payment of claims. (Currently the code refers only to health professionals and health facilities.) The amendments added by the House Insurance Committee are as follows.

The first amendment would strike the June 1, 2004 effective date in the bill and specify that the bill would take effect six months after it is enacted into law and that the bill would apply to all health care claims with dates of service on and after the effective date of the bill.

The second amendment would specify that the timely payment provisions in the Insurance Code would not affect a health plan's ability to prescribe the terms and conditions of its contracts, other than as they apply to timely payment requirements.

The Senate Fiscal Agency's analysis of the Senate-passed version of Senate Bill 588 is available on the Michigan Legislature's web site.

POSITIONS:

The Office of Financial and Insurance Services (OFIS) supports the bill. (2-9-04)

The Michigan Home Health Association testified in support of the bill. (2-11-04)

The Michigan Health and Hospital Association has indicated support for the bill. (2-11-04)

Analyst: C. Couch

■ 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.