

Legislative Analysis



NONPROFIT HEALTH CARE HIPPA

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House Bill 5962

Sponsor: Rep. Joe Hune

Committee: Health Policy

Complete to 5-15-06

A SUMMARY OF HOUSE BILL 5962 AS INTRODUCED 4-25-06

The bill would amend the Nonprofit Health Care Corporation Act, which regulates Blue Cross Blue Shield of Michigan. Section 406 of the act requires BCBSM to use reasonable care to secure records from unauthorized access to ensure the confidentiality of records containing personal information, and to collect only personal data necessary for the proper review and payment of claims. The bill would also apply the restriction to personal data necessary for health care operations, treatment, and research.

The act also prohibits BCBSM from disclosing records containing personal data that may be associated with an identifiable member, or concerning a member, without that member's written consent. The act makes an exception for information necessary to comply with Section 603 of the act or for the purpose of claims adjudication, claims verification, or when required by law. The bill would add to the allowable exceptions health care operations, treatment, research, payment, and health oversight activities.

House Bill 5962 would also specify that compliance with the federal Health Insurance Portability and Accountability Act (HIPPA), and regulations promulgated under that act, would satisfy the confidentiality requirements of Section 406.

MCL 550.1406

FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government.

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