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**BILL ANALYSIS**

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House Bill 6603 (Substitute H-1 as discharged)  
Sponsor: Representative Bruce Caswell  
House Committee: Health Policy  
Senate Committee: Appropriations

**CONTENT**

The bill would create a new act to require business entities that are legally responsible for payment of health care claims to provide to the Department of Community Health (DCH), on a monthly basis, the data necessary to determine whether a recipient of the organization's health coverage also was enrolled in Medicaid.

If a health coverage recipient were enrolled in Medicaid, the entity would have to provide payment to the Department for any covered health claim paid through Medicaid and respond to any inquiry by DCH on any claim for payment made within the previous three years. This payment or response would have to be provided to the DCH within 180 days of any departmental request.

The entity providing health coverage could not deny any claim made by the DCH solely because of the date of claim submission, the type or format of the claim, or improper documentation provided by the recipient when he or she received health service, as long as the claim was submitted to the entity within three years of the provided service, and action taken by the DCH to receive payment from the entity began within six years of the service.

If the Department determined that a health coverage recipient was also enrolled in Medicaid, the DCH could use this information to update the Medicaid database, and would have to share relevant enrollment information with Medicaid managed care organizations contracted with the DCH.

Organizations that violated the proposed act would be subject to an administrative fine of up to \$500 per day for each day of noncompliance. The Department would be permitted to promulgate rules to implement the proposed act.

**FISCAL IMPACT**

Federal law states that a Medicaid program must operate as a payor of last resort. This means that Medicaid may not pay for any health service provided to an enrollee until all other health coverage options have been exhausted. Greater access to health insurance data by the DCH would help the Department determine if it made payments on Medicaid claims on behalf of recipients who had access to other types of health coverage. The FY 2006-07 Department of Community Health appropriation estimates \$36.9 million Gross/\$16.1 million GF/GP in Medicaid savings that would be derived from greater cooperation from health insurers in providing data to the Department on their enrollees.

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