

Legislative Analysis



EXEMPT HMOS FROM NOTICE REQUIREMENT FOR FEDERAL OR STATE HEALTH PROGRAMS

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House Bill 5855

Sponsor: Rep. Kate Segal

Committee: Insurance

Complete to 5-11-10

A SUMMARY OF HOUSE BILL 5855 AS INTRODUCED 2-23-10

Under the Insurance Code, a health maintenance organization (HMO) must provide a clear written explanation to subscribers of the extent and nature of a proposed change in an HMO contract or the rate charged not less than 30 days before the change takes effect.

House Bill 5855 would create an exception from this requirement for HMO contracts issued in connection with state and federal health programs. (This does not refer to programs for state and federal employees.) For those contracts, advance notice would not be required if the change in a contract or rate arises from a change in the law, a state or federal administrative order, or an executive order. Instead, in such cases, notice would have to be provided within 30 days after a change took effect.

MCL 500.3525

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government.

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