



Senate Fiscal Agency
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Senate Bill 570 (Substitute S-3 as reported)
Senate Bills 571 and 573 (as reported without amendment)
Senate Bill 572 (Substitute S-3 as reported)
Sponsor: Senator Lana Theis (S.B. 570 & 571)
Senator Curtis Hertel, Jr. (S.B. 572 & 573)
Committee: Insurance and Banking

CONTENT

Senate Bill 570 (S-3) would add Article 18 (Surprise Billing Protections) to the Public Health Code to specify that a nonparticipating provider would have to accept from a patient's insurer as payment in full for certain health care services either the average amount negotiated by a health benefit plan with participating providers for the service provided or 150% of the amount that would be covered by Medicare, whichever were greater.

Senate Bill 572 (S-3) would amend the Code to do the following:

- Require a nonparticipating provider to complete and provide to a nonemergency patient a disclosure containing certain information, and obtain the patient's, or his or her representative's, signature, acknowledging that the individual had received, had read, and understood the disclosure.
- Require a nonparticipating provider to retain a copy of the notice for at least seven years.
- Require a nonparticipating provider to provide the nonemergency patient or his or her representative with a good-faith estimate of the cost of the health care services to be provided to the patient, and provide the estimate at the same time the patient was provided with the disclosure.
- Require a nonparticipating provider who failed to provide the disclosure to accept as payment in full either the average amount negotiated by a health benefit plan with participating providers for the service provided or 150% of the amount that would be covered by Medicare, whichever were greater.

Senate Bill 571 would amend Part 161 (General Provisions) of the Code to include a violation of Senate Bill 570 (S-3) and 572 (S-3) as grounds for disciplinary action.

Senate Bill 573 would amend Part 161 of the Code to prescribe a fine as disciplinary action for violating Senate Bill 571.

Senate Bills 570 (S-1) and 572 (S-1) are tie-barred. Senate Bills 571 and 573 are tie-barred, and both bills are tie-barred to House Bills 4459 and 4460. (Those bills would make substantially the same changes as Senate Bills 570 and 572, respectively.)

MCL 333.16221 (S.B. 571)
Proposed MCL 333.24509 (S.B. 572)
MCL 333.16226 (S.B. 573)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

Senate Bill 570 (S-3) could have a marginal negative fiscal impact on public hospital revenue by effectively imposing a cap on billing and reimbursements under certain circumstances.

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

Senate Bills 571 and 573 would have an indeterminate but likely minimal fiscal impact on State government and no fiscal impact on local units of government. The amount of revenue generated by violations of the provisions of Senate Bill 571 would depend on the magnitude of the fine and number of individuals who committed violations. Statute authorizes fines of up to \$250,000. Revenues from fines would be deposited in the Health Professions Regulatory Fund.

Administrative costs would be funded by existing appropriations to the Department of Licensing and Regulatory Affairs.

Senate Bill 572 (S-3) would have no fiscal impact on State or local government.

Date Completed: 1-23-20

Fiscal Analyst: Steve Angelotti
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