

BCBSM: EXEMPTION FOR DENTISTS

Senate Bill 812 as passed by the Senate First Analysis (12-9-97)

Sponsor: Sen. Dan DeGrow
Senate Committee: Health Policy
and Senior Citizens
House Committee: Insurance

THE APPARENT PROBLEM:

The Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan, requires that providers participating with the corporation on a per claim basis who accept BCBSM payment as payment in full for one patient must accept BCBSM payment as payment in full for that procedure for all patients for the calendar year. This means a provider cannot charge a patient an amount beyond what BCBSM pays for the procedure (or cannot "balance bill"). An exemption was placed in the act for dentists in 1988 and renewed in 1993. The exemption sunsets at the end of the year and legislation has been introduced to extend it indefinitely.

THE CONTENT OF THE BILL:

The bill would amend the Nonprofit Health Care Corporation Reform Act to extend indefinitely an exemption for dentists from the requirement that providers participating with Blue Cross and Blue Shield of Michigan on a per claim basis who once accept payment from the corporation for a given procedure as payment in full must do so for all patients undergoing that procedure in the calendar year. Currently, the act allows for the exemption until January 1, 1998.

MCL 550.1502

FISCAL IMPLICATIONS:

The Senate Fiscal Agency has reported that the bill would have no fiscal impact on state or local government. (SFA floor analysis dated 11-20-97)

ARGUMENTS:

For:

The bill extends a longstanding provision that allows dentists to take Blue Cross and Blue Shield subscribers as patients and charge different patients different amounts for the same procedure. While this is not common,

reportedly, it is sometimes necessary when circumstances dictate a higher fee for a difficult case or a type of patient. In those cases dentists can "balance bill" or charge patients more than the amount BCBSM will pay. The bill maintains a longstanding practice for compensating dentists under Blues plans that has resulted in a very high rate of dentists participating with the corporation.

POSITIONS:

A representative of the Michigan Dental Association testified in support of the bill before the House Insurance Committee. (12-3-97)

Blue Cross and Blue Shield of Michigan has indicated its support for the bill. (12-3-97)

Analyst: C. Couch

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