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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5076 (as reported without amendment)  
Sponsor: Representative Penny Crissman  
House Committee: Insurance  
Senate Committee: Health Policy and Senior Citizens

### **CONTENT**

The bill would amend the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross Blue and Shield of Michigan (BCBSM), to forbid BCBSM from denying payment for emergency health services under circumstances specified in the bill.

The bill provides that a BCBSM certificate that provided coverage for emergency health services would have to provide coverage for medically necessary services provided to a BCBSM member for the sudden onset of a medical condition that manifested itself by signs and symptoms of sufficient severity (including severe pain), such that in the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to the individual's health (or to a pregnancy in the case of a pregnant women); serious impairment to bodily functions; or serious dysfunction of any bodily organ or part.

The bill would prohibit BCBSM from denying payment for emergency health services up to the point of "stabilization" provided to an enrollee because of the final diagnosis or because BCBSM had not given prior authorization before emergency health services were provided. "Stabilization" would mean the point at which no material deterioration of a condition was likely, within reasonable medical probability, to result from or occur during transfer of the patient.

Proposed MCL 550.1418

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The language in the bill appears to be substantively similar to that included in Section 4704 (Increased Beneficiary Protections) of the Federal Balanced Budget Act of 1997. Section 4704 is applicable to managed care organizations serving Medicaid recipients and is not expected to have any fiscal impact. In addition, House Bill 4080 would apply this definition to all recipients of managed care, and House Bill 5135 would apply it to all persons covered by private health insurance companies.

It is possible that if this definition were abused by covered individuals in order to seek routine health care services from an emergency medical services provider, the aggregate health costs could increase, though these would probably be borne by all subscribers of BCBSM or private health insurance policies.

Date Completed: 5-11-98

Fiscal Analyst: J. Walker

[floor/hb5076](#)

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.