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SFA**BILL ANALYSIS**

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House Bills 5076 and 5135 (as passed by the House)
Sponsor: Representative Penny Crissman
House Committee: Insurance
Senate Committee: Health Policy and Senior Citizens

Date Completed: 10-21-97

CONTENT

House Bill 5076 would amend the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross Blue and Shield of Michigan (BCBSM), and House Bill 5135 would amend the Insurance Code, to forbid BCBSM or an insurer from denying payment for emergency health services under circumstances specified in the bills.

The bills provide that a BCBSM certificate, or an insurance policy or certificate, that provided coverage for emergency health services would have to provide coverage for medically necessary services provided to an insured person or 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.

An insurer or BCBSM could not deny payment for emergency health services up to the point of "stabilization" provided to an enrollee because of the final diagnosis or because the insurer or 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 (H.B. 5076)
Proposed MCL 500.3406j (H.B. 5135)

Legislative Analyst: G. Towne

FISCAL IMPACT

The language in House Bills 5076 and 5135 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.

House Bill 5076 would apply to all persons covered by BCBSM. House Bill 5135 would apply 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.

Fiscal Analyst: J. Walker

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