

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5135 (Substitute S-2 as reported)
Sponsor: Representative Penny Crissman
House Committee: Insurance
Senate Committee: Health Policy and Senior Citizens

CONTENT

The bill would amend the Insurance Code to forbid an insurer from denying payment for emergency health services under circumstances specified in the bill.

The bill provides that 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 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 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 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 550.3406j

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. House Bill 5135 (S-2) would apply to all persons covered by private health insurance companies. In addition, House Bill 4080 would apply this definition to all recipients of managed care, and House Bill 5076 would apply to all persons covered by Blue Cross and Blue Shield of Michigan (BCBSM). 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: 5-14-98

Fiscal Analyst: J. Walker