

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bills 4482 through 4484 (as passed by the House)

Sponsor: Representative Jim Howell (H.B. 4482)

Representative Judith Scranton (H.B. 4483)

Representative Patricia Birkholz (H.B. 4484)

House Committee: Health Policy

Senate Committee: Health Policy

Date Completed: 10-12-99

CONTENT

The bills would amend three statutes to require health insurers to permit a dependent minor of an insured or enrollee to go to a pediatrician for general pediatric care if the insurer required the insured or enrollee to designate a participating primary care provider; the insurer provided for dependent care coverage; and the pediatrician were a participating provider. An insurer could not require prior authorization or referral for access to a participating pediatrician, but an insurer could require prior authorization or referral for access to a nonparticipating pediatrician.

House Bill 4482 would amend the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan. House Bill 4483 would amend the Insurance Code, which regulates private insurers. House Bill 4484 would amend the Public Health Code, in regard to health maintenance organizations (HMOs).

Proposed MCL 550.1401g (H.B. 4482)

Proposed MCL 500.3406n (H.B. 4483)

Proposed MCL 333.21053e (H.B. 4484)

Legislative Analyst: G. Towne

FISCAL IMPACT

It is unclear as to what the potential fiscal impact of this set of bills may be. The first subsection of each bill says that if the health care entity "requires" a member to designate a primary care provider, then the entity "shall" permit a minor to access a "pediatrician" for pediatric care services, which by definition are health care services rendered to a young person.

Though the second subsection of each bill states that the entity "may" require prior authorization or "referral" to nonparticipating pediatricians, it would appear to be problematic to conclude that the health care entity could routinely deny payment given the mandate expressed in Subsection (1).

Under current circumstances, these issues may be moot if the number of existing general "pediatricians" and payment differentials between them and other family practitioners are nominal. However, if future events (such as a tightening by the American Academy of Pediatrics or the American Board of Pediatrics as to what constitutes the definition of "pediatrician") should skew this distribution, then affected health entities could end up either facing a higher payment differential in meeting the requirement of these bills or eliminating their internal requirement that their enrollees designate a primary care provider. This, of course, could lead to increased "doctor shopping" and discontinuities in care. Managed care had been originally seen to combat both of these events, which had historically been considered to drive up health care costs.

Fiscal Analyst: J. Walker

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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.