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BILL ANALYSIS

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Senate Bills 894, 895, and 896 (as introduced 12-11-03)  
Sponsor: Senator Tony Stamas (S.B. 894)  
Senator Bill Hardiman (S.B. 895 & 896)  
Committee: Health Policy

Date Completed: 9-21-04

### **CONTENT**

**Senate Bill 894 would create a new act to allow a health facility to assert a conscientious objection to providing or participating in health care services under certain circumstances.**

**Senate Bills 895 and 896 would amend the Nonprofit Health Care Corporation Reform Act and the Insurance Code, respectively, to allow Blue Cross and Blue Shield of Michigan (BCBSM), or a health maintenance organization (HMO) or health insurer, to assert a conscientious objection to providing a health care benefit.**

The bills are described below in further detail.

#### **Senate Bill 894**

The bill would allow a health facility to refuse to provide or participate in a health care service that violated an ethical, moral, or religious principle reflected in its articles of incorporation or bylaws, or an adopted mission statement.

A health facility could not assert a conscientious objection if the objection excluded an entire health profession, or if the objection were to a health care service the facility routinely provided or participated in and was based on a disagreement with a member of a health profession employed by, under contract to, or granted privileges by the health facility regarding the medical appropriateness of a health care service for a specific patient, if the patient had consented to the provision of the health care service.

A health facility would have to give notice of an objection to providing a health care service through written public notice or personally at the time an individual sought to obtain that health care service from the health facility.

A health facility's conscientious objection could not be a basis for civil, criminal, or administrative liability; or eligibility discrimination against the facility in a grant, contract, or program, if providing or participating in the health care service were not required expressly as a condition of eligibility.

Under the bill, "health facility" would mean a health facility or agency as defined in Section 20106 of the Public Health Code, a private physician office, or a public or private institution, teaching institution, pharmacy, corporation, partnership, or sole proprietorship that provides

a health care service to an individual. (Under Section 20106 of the Public Health Code, "health facility or agency" means an ambulance operation, aircraft transport operation, nontransport prehospital life support operation, or medical first response service; a clinical laboratory; a county medical care facility; a freestanding surgical outpatient facility; an HMO; a home for the aged; a hospital; a nursing home; any of these facilities located in a university, college, or other educational institution; a hospice; or a hospice residence.)

The bill would define "health care service" as the provision or withdrawal of, or research or experimentation involving, a medical treatment, procedure, device, medication, drug, or other substance intended to affect an individual's physical or mental condition.

### **Senate Bills 895 & 896**

Senate Bills 895 and 896 would allow BCBSM, or an HMO or a health insurer, respectively, to refuse to offer or provide a health care benefit that violated an ethical, moral, or religious principle reflected in its articles of incorporation or bylaws, or an adopted mission statement. An HMO, a health insurer, and BCBSM could not refuse to offer or provide a health care benefit that specifically was covered under the contract, policy, or certificate.

A refusal by BCBSM, an HMO, or a health insurer to offer or provide a health care benefit could not be a basis for civil, criminal, or administrative liability; or eligibility discrimination against the entity in providing a contract, policy, or certificate if offering or providing the health care benefit were not expressly required as a condition of eligibility.

Proposed MCL 550.1409a (S.B. 895)  
Proposed MCL 500.3406r (S.B. 896)

Legislative Analyst: Julie Koval

### **FISCAL IMPACT**

The fiscal impact of these bills is indeterminate. One could argue that if a Medicaid client were denied a form of treatment or procedure, either the cost of that treatment or procedure would be saved, or the denial or delay of that treatment or procedure could lead to greater costs down the road.

Fiscal Analyst: Steve Angelotti

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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.