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CONTINUATION OF HEALTH CARE

House Bill 4485

Sponsor: Rep. Sandra Caul

House Bill 4486

Sponsor: Rep. Randy Richardville

House Bill 4487

Sponsor: Rep. Gerald Law

Committee: Health Policy

Complete to 4-20-99

A SUMMARY OF HOUSE BILLS 4485-4487 AS INTRODUCED 4-15-99

The bills would, in general, provide for continuation of health care services under certain circumstances for a member, enrollee, or insured if the participation in the health plan by the treating health care provider or health professional were terminated, or if covered benefits provided by the health care provider or health professional were terminated due to a change in the terms of participation in a group contract. The bill's provisions would apply to members, enrollees, and insureds of health plans who were undergoing a covered course of treatment from the provider or health professional at the time of the termination.

Under the bills, a health maintenance organization, Blue Cross and Blue Shield of Michigan, and an insurance company would have to notify the insured person of the termination on a timely basis and, with the provider's consent, allow the insured to continue the course of treatment for a transitional period of up to 90 days from the date of the notice of termination. If an insured were receiving care in a hospital or other inpatient facility, the transitional period would extend to the discharge date and would include institutional care that was provided within a reasonable time of the date of the termination if either 1) the care was scheduled before the date of the notice, or 2) the insured had been on a waiting list or had been scheduled to have the care before the date of the notice. "Termination" or "terminated" would include the expiration or nonrenewal of a contract or participation with a health care provider or health professional by the health plan but would not include a termination for failure to meet applicable quality standards or for fraud.

In the case of a pregnancy, coverage would extend through postpartum care related to the pregnancy for those insureds who were in the second or third trimester of pregnancy at the time of the termination. A terminally ill person would receive coverage for care directly related to the terminal illness for the remainder of his or her life. "Terminally ill" is defined in the Public Health Code (MCL 333.5653).

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The above provisions would apply only if the health care provider or health professional agreed to all of the following:

-- To accept reimbursement from the health plan and copays from the insured at the rates applicable prior to the termination as payment in full.

-- To adhere to the health plan's standards for quality of care and to provide the plan with necessary medical information related to the case.

-- Not to impose cost-sharing with the insured at a higher amount than would have been imposed if the provider's participation in the plan or the coverage for certain services had not been terminated.

House Bill 4485 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1101 et al.) to apply to group and nongroup certificates of Blue Cross and Blue Shield of Michigan. House Bill 4487 would amend the Insurance Code (MCL 500.100 et al.) to apply to expense-incurred hospital, medical, or surgical policies and certificates of commercial health insurance companies. House Bill 4486 would amend the Public Health Code (MCL 333.1101 et al.) to apply to group and individual contracts of health maintenance organizations (HMOs).

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.