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Senate Bill 1211 (Substitute S-2 as enrolled)
Sponsor: Senator Shirley Johnson
Committee: Health Policy

Date Completed: 5-25-00

CONTENT

The bill would amend the Public Health Code to delete various references to health maintenance organizations (HMOs) in Part 201 (which contains general provisions governing health facilities and agencies); and to change the reference to “health maintenance organization” in Part 222 (which contains certificate of need provisions).

Currently, the Health Facilities and Agencies Advisory Commission is required to approve rules regulating the licensure and certification of health facilities and agencies. The bill would refer to health facilities and agencies other than HMOs. The Commission also is required to review HMO enrollee grievances pursuant to Section 21088 (which allows an HMO enrollee to file a grievance with a task force of the advisory commission after exhausting the HMO’s grievance procedures). The bill would delete that requirement.

The bill would delete provisions that set fees for an HMO’s initial license, renewal license, and certificate of authority for planning. The bill also would delete license fees for health care delivery and financing systems under Section 21042 (which governs systems similar to HMOs and requires them to be licensed and regulated as HMOs).

Currently, except for HMOs, if licensure is for more than one year, license fees are to be multiplied by the number of years for which a license is issued. The bill would delete that reference to HMOs.

The bill also would delete the current definition of “health maintenance organization” in Part 201. The bill provides that “health maintenance organization” would mean that term as defined in Section 3501 of the Insurance Code. (Section 3501 is proposed by Senate Bill 1209, which contains essentially the same definition as that in the Public Health Code.)

In Part 222, the definition of “health facility” includes a health maintenance organization “licensed under part 210”. The bill would refer, instead, to an HMO “issued a license or certificate of authority in this state”.

MCL 333.20106 et al.

Legislative Analyst: S. Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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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.