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Senate Bill 297 (Substitute S-2 as reported)
Sponsor: Senator Jud Gilbert, II
Committee: Health Policy

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act to require a Blue Cross and Blue Shield of Michigan (BCBSM) certificate to provide for direct reimbursement to any provider of covered medical transportation services, or provide for joint payments to the insured and the provider, if the provider had not received payment from any other source. This requirement would not apply to a transaction between BCBSM and a medical transportation services provider, if the parties had entered into a contract providing for direct payment; and BCBSM would not have to provide for direct reimbursement or joint payment to any nonaffiliated or nonparticipating provider for medical transportation services that were not emergency health services.

The bill also would require the Commissioner of the Office of Financial and Insurance Services to report, by January 1, 2007, to the Governor and the Legislature on the number of BCBSM-participating emergency medical transportation service providers. If the report stated that 40% or less or 90% or more of the providers in Michigan were participating providers, effective March 1, 2007, providers receiving direct reimbursement would have to accept payment from BCBSM as payment in full and could not seek additional payment from the patient except for any required deductible, copayment, or coinsurance amount.

Proposed MCL 550.1418a

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. Providers of ambulance services complain that they often end up writing off unpaid claims as bad debt, even though the individual who used the ambulance had insurance coverage for that service. The problem, they suggest, is that in many cases the insurer pays the insured for the claim and the ambulance provider is left having to try to collect from the insured individual. Under the bill, if an insurer provided coverage for ambulance services, then the insurer would be required to pay an ambulance provider directly if one of its insured incurred a claim for that service. The bill does not appear to mandate that an insurer provide coverage for ambulance services, or set the amount of payment for these services. To the extent that the bill would reduce the need of ambulance providers to raise prices to make up for bad debt, the bill would likely generate system-wide savings.

In addition, the bill would result in costs to the State associated with the issuance of the required report.

Date Completed: 5-18-04

Fiscal Analyst: Dana Patterson