

# Legislative Analysis

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## MANAGED CARE FOR AUTO INSURANCE

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**House Bill 4742**

**Sponsor: Rep. Joe Hune**

**Committee: Insurance**

**Complete to 6-22-05**

### A SUMMARY OF HOUSE BILL 4742 AS INTRODUCED 5-5-05

The bill would create a new chapter in the Insurance Code – Chapter 21A – to allow auto insurance companies to offer a managed care option for personal injury protection benefits under a no-fault auto insurance policy.

Such an option would have to be uniformly offered to all of a company's insureds and would have to reflect the reasonably anticipated reductions in losses or expenses. Such an option could not apply to emergency care.

Under the bill, the managed care would only apply to the insured who selected the managed care option in writing, the insured's spouse, and a relative of either domiciled in the same household, when claiming PIP benefits under a policy with a managed care option.

Managed care could be used on all medical services provided to an injured insured after the selection of a managed care option, regardless of the date of the original claim.

The term "managed care" would mean all monitoring and adjudication of an injured person's care, including first notice of loss/initial intake, preauthorization, treatment plan review, telephonic case management, field case management, medical bill review, utilization review, and preferred provider selection and accreditation.

MCL 500.2151 et al.

### FISCAL IMPACT:

The verification that a managed health care option is offered should not increase the cost of the State's Office of Financial and Insurance Services, nor should it have any fiscal impact on local units of government.

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