



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bills 99 and 103
Sponsor: Senator Dale L. Shugars
Committee: Health Policy and Senior Citizens

Date Completed: 10-30-95

SUMMARY OF SENATE BILLS 99 and 103 as introduced 1-17-95:

Senate Bill 99 would amend the Insurance Code, and Senate Bill 103 would amend the Third Party Administrator Act, to require a disability insurer (authorized to write hospital, medical, or surgical expense-incurred policies or certificates in Michigan), or a third-party administrator, to include in each notice of explanation of coverage or benefits to an insured or covered individual a statement explaining characteristics of the data used to establish the maximum fee allowance charged by a health care provider.

The bills would require that each notice of explanation include the following statement, in 18-point type:

THE MAXIMUM FEE ALLOWANCE USED TO DETERMINE REIMBURSEMENT OR PAYMENT OF THE AMOUNTS CHARGED BY YOUR HEALTH CARE PROVIDER IS BASED ON FEE DATA THAT WAS LAST REVISED ON [DATE OF LAST REVISION], AND WAS DETERMINED BASED UPON [DESCRIBE SOURCE OF FEE DATA AND TIME PERIOD FOR WHICH DATA WAS COLLECTED].

If the Insurance Commissioner found that an insurer or third party administrator failed to provide the statement to an insured or covered individual as required, the Commissioner could order the insurer or administrator, after an opportunity for a hearing pursuant to the Administrative Procedures Act, to pay a civil fine of up to \$50 for each violation.

Proposed MCL 500.3415 (S.B. 99)
550.933 (S.B. 103)

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would not have a fiscal impact on the Department of Commerce or on local governmental units. Civil fine revenue realized under the bills would be available for public libraries.

Fiscal Analyst: K. Lindquist

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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.