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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 501 (as reported without amendment)  
Sponsor: Senator Dale L. Shugars  
Committee: Health Policy and Senior Citizens

### **CONTENT**

The bill would amend the Nonprofit Health Care Corporation Reform Act to forbid Blue Cross and Blue Shield of Michigan (BCBSM) from prohibiting or discouraging a health professional: from discussing with a subscriber certain treatments, services, or financial arrangements; or from advocating on behalf of a subscriber for appropriate medical treatment options, pursuant to the grievance procedures specified in the Act.

The bill provides that BCBSM could not prohibit or discourage a health professional from discussing with a subscriber health care treatments and services; quality assurance plans required by law, if applicable; or the financial relationships between BCBSM and the health care provider. Financial relationships between BCBSM and the provider would include whether:

- There existed a fee-for-service arrangement, under which the provider was paid a specified amount for each covered service rendered to the participant.
- There existed a capitation arrangement, under which a fixed amount was paid to the provider for all covered services that were or could be rendered to each covered individual or family.
- Payments to providers were made based on standards relating to cost, quality, or patient satisfaction.

Proposed MCL 550.1501b

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

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

Date Completed: 5-16-97

Fiscal Analyst: J. Walker

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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.