
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 740 (Substitute S-2 as reported)
Sponsor: Senator Dale L. Shugars
Committee: Health Policy

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross and Blue Shield of Michigan (BCBSM), to provide that any provision for a copayment or deductible that stated what percentage of a claim BCBSM would pay, and what percentage the subscriber would pay, would have to be calculated upon and applied toward "actual total costs". "Actual total cost" would mean the lesser of the amount the provider of a covered service charged for the service, or the amount the provider of the covered service had agreed to accept as payment in full from BCBSM for the service before a copayment or deductible was applied. The bill would apply to BCBSM policies delivered, issued for delivery, or renewed in 1999 or thereafter.

The bill is tie-barred to House Bills 5100 and 5101. House Bill 5100 would amend the Insurance Code, and House Bill 5101 would amend the Public Health Code, to place on policies delivered by insurers, or health maintenance organizations, respectively, requirements similar to those proposed in Senate Bill 740 (S-1).

Proposed MCL 550.1405a

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government.

Date Completed: 3-4-98

Fiscal Analyst: J. Walker