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Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

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House Bill 4080 (Substitute H-3 as reported without amendment)  
Sponsor: Representative Penny Crissman  
House Committee: Insurance  
Senate Committee: Health Policy and Senior Citizens

### **CONTENT**

The bill would amend Part 210 of the Public Health Code, which governs health maintenance organizations (HMOs), to define “emergency health services”, and to forbid an HMO from denying payment for emergency health services due to a patient’s final diagnosis, or because the HMO had not given prior authorization before emergency services were provided.

The bill provides that “emergency health services” would mean medically necessary services provided to an enrollee for the sudden onset of a medical condition that manifested itself by signs and symptoms of sufficient severity (including severe pain), such that in the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to the individual’s health (or to a pregnancy in the case of a pregnant women); serious impairment to bodily functions; or serious dysfunction of any bodily organ or part.

An HMO could not deny payment for emergency health services up to the point of “stabilization” provided to an enrollee because of the final diagnosis or because the HMO had not given prior authorization before emergency health services were provided. “Stabilization” would mean the point at which no material deterioration of a condition was likely, within reasonable medical probability, to result from or occur during transfer of the patient.

MCL 333.21004

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

This language appears to be substantively similar to that included in Section 4704 (Increased Beneficiary Protections) of the Federal Balanced Budget Act of 1997. Section 4704 is applicable to managed care organizations serving Medicaid recipients and is not expected to have any fiscal impact.

Likewise, House Bill 4080 (H-3) would apply to all other enrollees of health maintenance organizations (HMOs), including Medicaid enrollees, and appears to be cost neutral.

Note: As used in the case, “cost neutral” refers to the total health care system’s cost. To the extent that such payment practices exist, the impact of this bill would be to shift costs from the enrollee to the HMO.

Date Completed: 9-24-97

Fiscal Analyst: J. Walker

[floor/hb4080](#)

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.