

# HOUSE BILL No. 5573

February 12, 1998, Introduced by Reps. Schroer, Wallace, Anthony, Parks, LaForge, Baade, Bogardus, Crissman, Scott, Brater, Profit, Murphy, Hale and Gire and referred to the Committee on Insurance.

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending section 21035 (MCL 333.21035), as added by 1996 PA  
472.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 21035. (1) By October 1, 1997, a health maintenance  
2 organization shall establish pursuant to section 21034(i) an  
3 internal formal enrollee grievance procedure for approval by the  
4 insurance bureau that includes all of the following:  
5       (a) That when an adverse determination is made, a written  
6 statement containing the reasons for the adverse determination  
7 will be provided to an enrollee.  
8       (b) That a written notification of the grievance procedures  
9 will be provided to an enrollee when the enrollee contests an  
10 adverse determination.

1 (c) That a final determination will be made in writing by  
2 the organization not later than 90 calendar days after a formal  
3 grievance is submitted by an enrollee. The timing for the  
4 90-calendar-day period may be tolled, however, for any period of  
5 time the enrollee is permitted to take under the grievance  
6 procedure.

7 (d) That an initial determination will be made by the health  
8 maintenance organization not later than 72 hours after receipt of  
9 an expedited grievance. Within 3 business days after the initial  
10 determination by the health maintenance organization, the  
11 enrollee or a person, including, but not limited to, a physician,  
12 authorized in writing to act on behalf of the enrollee may  
13 request further review by the health maintenance organization or  
14 the enrollee may appeal to the department. If further review is  
15 requested, a final determination by the health maintenance organ-  
16 ization shall be made not later than 30 days after receipt of the  
17 request for further review. Within 10 days after receipt of a  
18 final determination, the enrollee or a person, including, but not  
19 limited to, a physician, authorized in writing to act on behalf  
20 of the enrollee may appeal to the department. If the initial or  
21 final determination by the health maintenance organization is  
22 made orally, the health maintenance organization shall provide a  
23 written confirmation of the determination to the enrollee not  
24 later than 2 business days after the oral determination. An  
25 expedited grievance under this subdivision applies if a grievance  
26 is submitted and a physician, orally or in writing, substantiates

1 that the time frame for a grievance under subdivision (c) would  
2 acutely jeopardize the life of the enrollee.

3 (e) That an enrollee has the right to a final appeal to the  
4 department.

5 (2) This section does not apply to a provider's complaint  
6 concerning claims payment, handling, or reimbursement for health  
7 care services.

8 (3) THE HEALTH MAINTENANCE ORGANIZATION SHALL PROVIDE ALL  
9 ENROLLEES WHO MEET THE CRITERIA IN SECTION 7(1) OF THE EXPERIMEN-  
10 TAL TREATMENT DISPUTE RESOLUTION ACT WITH NOTICE OF THE  
11 ENROLLEE'S OPTION TO HAVE THE HEALTH MAINTENANCE ORGANIZATION'S  
12 DENIAL OF A REQUEST FOR EXPERIMENTAL OR INVESTIGATIONAL THERAPY  
13 REVIEWED. THE HEALTH MAINTENANCE ORGANIZATION SHALL NOTIFY ELI-  
14 GIBLE ENROLLEES IN WRITING OF THE OPPORTUNITY TO REQUEST AN  
15 EXTERNAL, INDEPENDENT REVIEW PURSUANT TO THE EXPERIMENTAL TREAT-  
16 MENT DISPUTE RESOLUTION ACT WITHIN 5 BUSINESS DAYS OF THE DECI-  
17 SION TO DENY COVERAGE. THE NOTICE SHALL INCLUDE A DESCRIPTION OF  
18 THE EXTERNAL, INDEPENDENT REVIEW PROCESS, THE ADDRESS OF THE  
19 EXPERIMENTAL TREATMENT DISPUTE RESOLUTION COMMISSION, THE INFOR-  
20 MATION THE ENROLLEE MUST PROVIDE TO THE EXPERIMENTAL TREATMENT  
21 DISPUTE RESOLUTION COMMISSION UNDER THE EXPERIMENTAL TREATMENT  
22 DISPUTE RESOLUTION ACT, AND NOTICE THAT THE HEALTH MAINTENANCE  
23 ORGANIZATION MUST BE PROVIDED WITH NOTICE BY THE ENROLLEE IF THE  
24 ENROLLEE WISHES TO REQUEST AN EXTERNAL, INDEPENDENT REVIEW.  
25 WITHIN 5 BUSINESS DAYS OF THE HEALTH MAINTENANCE ORGANIZATION'S  
26 RECEIPT OF A REQUEST BY AN ENROLLEE FOR AN EXTERNAL, INDEPENDENT  
27 REVIEW, THE HEALTH MAINTENANCE ORGANIZATION SHALL PROVIDE TO THE

1 EXPERIMENTAL TREATMENT DISPUTE RESOLUTION COMMISSION THE  
2 DOCUMENTS REQUIRED UNDER SECTION 7(2) OF THE EXPERIMENTAL TREAT-  
3 MENT DISPUTE RESOLUTION ACT.

4 (4) ~~(3)~~ As used in this section:

5 (a) "Adverse determination" means a determination that an  
6 admission, availability of care, continued stay, or other health  
7 care service has been reviewed and denied. Failure to respond in  
8 a timely manner to a request for a determination constitutes an  
9 adverse determination.

10 (b) "Grievance" means a complaint on behalf of an enrollee  
11 submitted by an enrollee or a person, including, but not limited  
12 to, a physician, authorized in writing to act on behalf of the  
13 enrollee regarding:

14 (i) The availability, delivery, or quality of health care  
15 services, including a complaint regarding an adverse determina-  
16 tion made pursuant to utilization review.

17 (ii) Benefits or claims payment, handling, or reimbursement  
18 for health care services.

19 (iii) Matters pertaining to the contractual relationship  
20 between an enrollee and the organization.

21 Enacting section 1. This amendatory act does not take  
22 effect unless Senate Bill No. \_\_\_ or House Bill No. \_\_\_ (request  
23 no. 03595'97) of the 89th Legislature is enacted into law.