

Senate Fiscal Agency
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SFA



BILL ANALYSIS

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House Bill 5958 (Substitute S-1 as reported)
House Bill 5959 (Substitute S-1 as reported)
Sponsor: Representative Gerald Law
House Committee: Health Policy
Senate Committee: Health Policy

Date Completed: 11-22-00

RATIONALE

Public Acts 228 and 230 of 1999 amended the Nonprofit Health Care Corporation Reform Act (which regulates Blue Cross and Blue Shield of Michigan) and the Insurance Code, respectively, to provide for continuation of covered health care services under certain conditions, if participation in a health plan by an insured individual's physician is terminated. In general, continuation of care is allowed for a course of treatment for up to 90 days, or for other periods of time as specified. Under both the Act and the Code, for the purpose of these provisions, "physician" is defined as an allopathic or osteopathic physician. It has been pointed out that some health insurance plans also include services provided by podiatric physicians. It has been suggested that podiatric physicians be included under the continuation of care provisions of the Act and the Code.

CONTENT

House Bill 5958 (S-1) would amend the Nonprofit Health Care Corporation Reform Act, and House Bill 5959 (S-1) would amend the Insurance Code, to include care provided by a podiatric physician in the Act's and the Code's requirements regarding continuation of care.

Currently, if participation between an insured person's current physician and Blue Cross and Blue Shield of Michigan (BCBSM) or a private health care insurer terminates, BCBSM or the insurer must allow the insured to continue an ongoing course of treatment with that physician for 90 days; through postpartum care if the insured is in her second or third trimester of pregnancy; or for the remainder of the insured's life for care directly related to the treatment of a terminal illness. The bills would amend the Act's and the Code's definition of "physician" to include a podiatric physician.

Currently, the Act and the Code state that these provisions do not create an obligation for BCBSM or an insurer to provide coverage beyond the maximum coverage limits permitted by the policy with the

insured. The bill further provides that there would be no obligation for BCBSM or an insurer to expand who could be a primary care physician under a policy.

House Bill 5959 (S-1) also specifies that the Code's requirements regarding continuation of care would apply to a health maintenance organization contract.

MCL 550.1402c (H.B. 5958)
500.2212b (H.B. 5959)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The continuation of care provisions allow an individual under the care of a medical doctor or an osteopathic physician to continue to receive health care benefits, for a limited and specified period of time, for ongoing treatment with the physician if the contract between the physician and the health plan is terminated. This enables the individual to maintain continuity of care for a period of time without interruption or financial penalty. Reportedly, care provided by a podiatric physician was inadvertently excluded from these provisions, meaning that if the participation of a podiatrist in a health plan is terminated, his or her patients may not receive ongoing treatment on a covered basis. The bill would benefit the patients of podiatrists by including them within the continuation of care provisions. This would be particularly important for those patients who undergo foot surgery shortly before coverage is terminated.

Legislative Analyst: G. Towne

FISCAL IMPACT

Existing statutes (Public Acts 228 and 230 of 1999) already allow patients to receive continuing services from physicians who terminate their relationship with a health care plan in which the patients are enrolled. As there are specific requirements related to the coverage period and payment rates, these Acts were determined to have no fiscal impact. Amending these Acts to include podiatrists under the definition of "physician" should have no fiscal impact on the affected parties.

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.