

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 236 (Substitute S-1 as reported)
Sponsor: Senator Bev Hammerstrom
Committee: Health Policy

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act to permit Blue Cross and Blue Shield of Michigan (BCBSM) to use an application form for long-term coverage that was designed to elicit the complete health history of an applicant. The bill also provides that BCBSM could charge a different rate based on age for the same long-term care coverage if the rate differential were based on sound actuarial principles and a reasonable classification system, and were related to actual and credible loss statistics or, for new coverages, related to reasonably anticipated experience. Blue Cross and Blue Shield of Michigan could condition the granting of long-term care coverage based on answers given on the long-term care application, pursuant to underwriting standards established by BCBSM. The sale of long-term care insurance would not be tax-exempt.

The bill is tie-barred to Senate Bill 234, which would revise requirements concerning BCBSM's surplus, rate filings, and financial information reporting.

MCL 550.1420a et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

As this bill apparently would not make it any more or less likely that a person would decide to obtain a long-term care insurance plan (or affect the availability of long-term care plans), it should have no direct fiscal impact on State or local publicly funded health care programs.

Date Completed: 5-12-03

Fiscal Analyst: John Walker