

HOUSE BILL No. 4415

March 18, 1999, Introduced by Reps. Baird, Schauer, LaForge, Wojno, Martinez, Brater, Bogardus, Jacobs, Kilpatrick, Cherry, Dennis and Byl and referred to the Committee on House Oversight and Operations.

A bill to amend 1986 PA 268, entitled "Legislative council act," (MCL 4.1101 to 4.1901) by amending the title, as amended by 1988 PA 100, and by adding chapter 8A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

2 An act to create the legislative council; to prescribe its
3 membership, powers, and duties; to create a legislative service
4 bureau to provide staff services to the legislature and the coun-
5 cil; to provide for operation of legislative parking facilities;
6 to create funds; to provide for the expenditure of appropriated
7 funds by legislative council agencies; to authorize the sale of
8 access to certain computerized data bases; to establish fees; to
9 create the Michigan commission on uniform state laws; to create a
10 law revision commission; to create a senate fiscal agency and a

1 house fiscal agency; to create a Michigan capitol committee; to
2 create a commission on intergovernmental relations; TO CREATE THE
3 OFFICE OF LEGISLATIVE MANAGED CARE OMBUDSMAN; to prescribe the
4 powers and duties of certain state agencies and departments; AND
5 to repeal ~~certain~~ acts and parts of acts. ~~and to repeal cer-~~
6 ~~tain parts of this act on specific dates.~~

7 CHAPTER 8A

8 SEC. 851. AS USED IN THIS CHAPTER:

9 (A) "CONSUMER" MEANS A RESIDENT OF THIS STATE WHO IS UNDER
10 MANAGED CARE.

11 (B) "LEGISLATOR" MEANS A MEMBER OF THE SENATE OR THE HOUSE
12 OF REPRESENTATIVES OF THIS STATE.

13 (C) "MANAGED CARE" MEANS METHODS OF HEALTH CARE DELIVERY AND
14 FINANCING THAT CONTROL AND COORDINATE THE SERVICES PROVIDED TO
15 PATIENTS AND MAY INCLUDE 1 OR MORE OF THE FOLLOWING:

16 (i) THE ESTABLISHMENT OF A NETWORK OF PROVIDERS TO OBTAIN
17 EFFICIENCY IN THE USE OF RESOURCES OR CHARGE LOWER PRICES AND THE
18 ENCOURAGEMENT OF PATIENTS TO OBTAIN SERVICES FROM THOSE
19 PROVIDERS.

20 (ii) THE NEGOTIATION OF FAVORABLE PAYMENT TERMS FROM PROVID-
21 ERS OR USING ALTERNATIVE PAYMENT METHODS THAT REQUIRE PROVIDERS
22 TO SHARE IN THE FINANCIAL RISK OF PROVIDING SERVICES.

23 (iii) THE UTILIZATION OF REVIEW PROGRAMS TO EVALUATE DECI-
24 SIONS TO PROVIDE CARE AND TO MONITOR ONGOING CARE.

25 (iv) A HEALTH MAINTENANCE ORGANIZATION.

26 (D) "OFFICE" MEANS THE OFFICE OF THE LEGISLATIVE MANAGED
27 CARE OMBUDSMAN CREATED UNDER THIS CHAPTER.

1 (E) "OMBUDSMAN" MEANS THE LEGISLATIVE MANAGED CARE
2 OMBUDSMAN.

3 SEC. 852. (1) THE OFFICE OF THE LEGISLATIVE MANAGED CARE
4 OMBUDSMAN IS CREATED WITHIN THE LEGISLATIVE COUNCIL.

5 (2) THE PRINCIPAL EXECUTIVE OFFICER OF THE OFFICE IS THE
6 LEGISLATIVE MANAGED CARE OMBUDSMAN WHO SHALL BE APPOINTED BY AND
7 SERVE AT THE PLEASURE OF THE COUNCIL.

8 (3) THE COUNCIL SHALL ESTABLISH PROCEDURES FOR APPROVING THE
9 BUDGET, EXPENDING FUNDS, AND EMPLOYING THE OMBUDSMAN AND PERSON-
10 NEL FOR THE OFFICE.

11 SEC. 853. THE OMBUDSMAN SHALL DO ALL OF THE FOLLOWING:

12 (A) ADVISE THE LEGISLATURE ON ISSUES REGARDING MANAGED
13 CARE.

14 (B) REVIEW AND COMMENT ON MANAGED CARE ISSUES INVOLVING THE
15 DEPARTMENT OF COMMUNITY HEALTH.

16 (C) RESEARCH AND INVESTIGATE MATTERS THAT AFFECT THE QUALI-
17 TY, DELIVERY, COSTS, MANAGEMENT, AND OPERATION OF MANAGED CARE AS
18 IT AFFECTS CONSUMERS.

19 (D) PROVIDE TECHNICAL ASSISTANCE AND ACT AS A RESOURCE TO
20 CONSUMERS REGARDING MANAGED CARE.

21 (E) PERFORM OTHER FUNCTIONS AS DIRECTED BY THE COUNCIL.

22 SEC. 854. (1) THE OMBUDSMAN MAY COMMENCE AN INVESTIGATION
23 UNDER SECTION 853 UPON EITHER OF THE FOLLOWING:

24 (A) RECEIPT OF A COMPLAINT FROM A LEGISLATOR CONCERNING ANY
25 ASPECT OF MANAGED CARE.

26 (B) THE OMBUDSMAN'S OWN INITIATIVE FOR A SIGNIFICANT MANAGED
27 CARE ISSUE DESIGNATED BY THE COUNCIL.

1 (2) SUBJECT TO APPROVAL OF THE COUNCIL, THE OMBUDSMAN SHALL
2 ESTABLISH PROCEDURES FOR RECEIVING AND PROCESSING COMPLAINTS,
3 CONDUCTING INVESTIGATIONS, HOLDING HEARINGS, AND REPORTING FIND-
4 INGS RESULTING FROM THE INVESTIGATIONS.

5 SEC. 855. THE OMBUDSMAN MAY HOLD INFORMAL HEARINGS AND MAY
6 REQUEST THAT ANY PERSON APPEAR BEFORE THE OMBUDSMAN, OR AT A
7 HEARING, AND GIVE TESTIMONY OR PRODUCE DOCUMENTARY OR OTHER EVI-
8 DENCE THE OMBUDSMAN CONSIDERS RELEVANT TO A MATTER UNDER
9 INVESTIGATION.

10 SEC. 856. (1) CORRESPONDENCE BETWEEN THE OMBUDSMAN AND A
11 CONSUMER IS CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER THE
12 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

13 (2) THE OMBUDSMAN SHALL MAINTAIN SECRECY WITH RESPECT TO ALL
14 MATTERS AND THE IDENTITIES OF COMPLAINANTS OR PERSONS FROM WHOM
15 INFORMATION IS ACQUIRED, EXCEPT TO THE EXTENT DISCLOSURE IS NEC-
16 ESSARY TO ENABLE THE OMBUDSMAN TO PERFORM THE DUTIES OF THE
17 OFFICE OR TO SUPPORT RECOMMENDATIONS RESULTING FROM AN
18 INVESTIGATION.

19 (3) A REPORT PREPARED AND ANY RECOMMENDATION MADE BY THE
20 OMBUDSMAN AND SUBMITTED TO THE COUNCIL UNDER SECTION 857 ARE
21 EXEMPT FROM DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976
22 PA 442, MCL 15.231 TO 15.246.

23 SEC. 857. THE OMBUDSMAN SHALL PREPARE AND SUBMIT A REPORT
24 OF THE FINDINGS OF AN INVESTIGATION AND MAKE RECOMMENDATIONS TO
25 THE COUNCIL WITHIN 30 DAYS OF COMPLETING THE INVESTIGATION.

1 SEC. 858. THE OMBUDSMAN SHALL SUBMIT TO THE COUNCIL AND THE
2 LEGISLATURE AN ANNUAL REPORT ON THE ACTIONS OF THE OFFICE
3 INCLUDING THE NEED FOR ANY SUGGESTED LEGISLATIVE ACTION.