

**NOTIFY PROVIDERS OF CHANGES
IN CLAIMS SUBMISSION POLICIES**

House Bills 5382 and 5383
Sponsor: Rep. David Robertson
Committee: Insurance

Complete to 1-14-04

A SUMMARY OF HOUSE BILLS 5382 AND 5383 AS INTRODUCED 12-10-03

House Bill 5382 would add a provision to the Insurance Code (MCL 500.2006 and 500.2006a) to prohibit a health plan from changing (including eliminating) any coding, claim submission policy, or reimbursement rate unless the health plan notifies every affected health professional and facility of the change within 45 days of the effective date of the change. The change would have to occur on the date stated in the notice unless a subsequent notice rescinds the change or delays the effective date. In addition, the bill would also require a health plan, in consultation with health professionals and representatives of health facilities, to establish a clear and unambiguous claim submission policy.

Health professional or facilities would be permitted to file a complaint regarding an alleged violation of the above provisions with the Insurance Commissioner, who could order payment and interest be made or impose a civil fine not exceeding \$5,000 per violation. The submission of a complaint would not prohibit a health professional or facility from seeking court action.

In addition, the code sets forth certain notification requirements related to the processing and paying of claims. For instance, under the act, a health plan is required to notify the health professional or facility within 30 days after receipt of a claim of any reason that prevents the claim from being a clean claim. The code further provides that the notice may either be sent in writing or electronically. The bill would add that computer failure or malfunction would not toll the time periods by which notice must be sent.

Further, the bill would delete a provision in the code that states that a health plan provided under a Blue Cross Blue Shield certificate is subject only to a civil fine imposed by the Insurance Commissioner and whatever penalties are allowed for under the Nonprofit Health Care Corporation Reform Act.

House Bill 5383 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1403c), which governs Blue Cross Blue Shield of Michigan to specify that the provision added above to the Insurance Code would apply to a health care corporation (i.e., BCBSM).

Analyst: M. Wolf

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.