

**REPRINT  
SUBSTITUTE FOR  
HOUSE BILL NO. 5573**

(As passed the House, May 24, 2000)

A bill to amend 1980 PA 350, entitled  
"The nonprofit health care corporation reform act,"  
by amending section 404 (MCL 550.1404), as amended by 1996  
PA 516.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 404. (1) A person who has reason to believe that a  
2 health care corporation has violated section 402 or 403, if the  
3 violation was with respect to an action or inaction of the corpo-  
4 ration with respect to that person, is entitled to a private  
5 informal managerial-level conference with the corporation, and to  
6 a review before the commissioner or his or her designee THROUGH  
7 SEPTEMBER 30, 2000 AND BEGINNING OCTOBER 1, 2000 BEFORE AN INDE-  
8 PENDENT REVIEW ORGANIZATION UNDER THE PATIENT'S RIGHT TO  
9 INDEPENDENT REVIEW ACT, if the conference fails to resolve the  
10 dispute.

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1 (2) A health care corporation shall establish reasonable  
2 internal procedures to provide a person with a private informal  
3 managerial-level conference as provided in subsection (1). ~~This~~  
4 ~~procedure shall provide that~~ THESE PROCEDURES SHALL PROVIDE ALL  
5 OF THE FOLLOWING:

6 (A) THAT a final determination will be made in writing by  
7 the health care corporation not later than ~~90~~ 35 calendar days  
8 after a grievance is submitted in writing by the member. ~~or~~  
9 ~~person, including, but not limited to, a physician, authorized in~~  
10 ~~writing to act on behalf of the member.~~ The timing for the  
11 ~~90-calendar-day~~ 35-CALENDAR-DAY period may be tolled, however,  
12 for any period of time the member is permitted to take under the  
13 grievance procedure AND FOR A PERIOD OF TIME THAT SHALL NOT EXCEED  
14 10 DAYS IF THE HEALTH CARE CORPORATION HAS NOT RECEIVED REQUESTED  
15 INFORMATION FROM A HEALTH PROVIDER. ~~These procedures shall include~~  
16 ~~all of the~~  
17 following:

18 (B) ~~(a)~~ A method of providing the person, upon request and  
19 payment of a reasonable copying charge, with information perti-  
20 nent to the denial of a certificate or to the rate charged.

21 (C) ~~(b)~~ A method for resolving the dispute promptly and  
22 informally, while protecting the interests of both the person and  
23 the corporation.

24 (D) THAT WHEN AN ADVERSE DETERMINATION IS MADE, A WRITTEN  
25 STATEMENT IN PLAIN ENGLISH CONTAINING THE REASONS FOR THE ADVERSE  
26 DETERMINATION IS PROVIDED TO THE MEMBER ALONG WITH WRITTEN NOTI-  
27 FICATIONS AS REQUIRED UNDER THE PATIENT'S RIGHT TO INDEPENDENT  
28 REVIEW ACT.

29 (e) A method for providing summary data on the number and  
30 types of complaints and grievances filed. BEGINNING APRIL 15,

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1 2001, THIS SUMMARY DATA FOR THE PRIOR CALENDAR YEAR SHALL BE  
2 FILED ANNUALLY WITH THE COMMISSIONER ON FORMS PROVIDED BY THE  
3 COMMISSIONER.

4 (3) If the health care corporation fails to provide a con-  
5 ference and proposed resolution within 30 days after a request by  
6 a person, or if the person disagrees with the proposed resolution  
7 of the corporation after completion of the conference, the person  
8 is entitled to a determination of the matter by the commissioner  
9 or his or her designee THROUGH SEPTEMBER 30, 2000 AND BEGINNING  
10 OCTOBER 1, 2000 BY AN INDEPENDENT REVIEW ORGANIZATION UNDER THE  
11 PATIENT'S RIGHT TO INDEPENDENT REVIEW ACT.

12 (4) ~~By October 1, 1997, a~~ A health care corporation shall  
13 establish, as part of its internal procedures, an expedited  
14 grievance procedure. The expedited grievance procedure shall  
15 provide that ~~an initial~~ A determination will be made by the  
16 health care corporation not later than 72 hours after receipt of  
17 the grievance. ~~Within 3 business days after the initial deter-~~  
18 ~~mination by the health care corporation, the member or a person,~~  
19 ~~including, but not limited to, a physician, authorized in writing~~  
20 ~~to act on behalf of the member may request further review by the~~  
21 ~~health care corporation or for a determination of the matter by~~  
22 ~~the commissioner or his or her designee under this section. If~~  
23 ~~further review is requested, a final determination by the health~~  
24 ~~care corporation shall be made not later than 30 days after~~  
25 ~~receipt of the request for further review. Within 10 days after~~  
26 receipt of a ~~final~~ determination, the member ~~or a person,~~  
27 including, but not limited to, a physician, authorized in writing

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1 ~~to act on behalf of the member~~ may request a determination of  
2 the matter by the commissioner or his or her designee ~~under this~~  
3 ~~section~~ THROUGH SEPTEMBER 30, 2000 AND BEGINNING OCTOBER 1, 2000  
4 BY AN INDEPENDENT REVIEW ORGANIZATION UNDER THE PATIENT'S RIGHT  
5 TO INDEPENDENT REVIEW ACT. If the ~~initial or final~~ determina-  
6 tion by the health care corporation is made orally, the health  
7 care corporation shall provide a written confirmation of the  
8 determination to the member not later than 2 business days after  
9 the oral determination. An expedited grievance under this sub-  
10 section applies if a grievance is submitted and a physician,  
11 orally or in writing, substantiates that the time frame for a  
12 grievance under subsections (1) to (3) would ~~acutely~~ SERIOUSLY  
13 jeopardize the life OR HEALTH of the member OR WOULD JEOPARDIZE  
14 THE MEMBER'S ABILITY TO REGAIN MAXIMUM FUNCTION. This subsection  
15 does not apply to a provider's complaint concerning claims pay-  
16 ment, handling, or reimbursement for health care services. As  
17 used in this ~~subsection~~ SECTION, "grievance" means an oral or  
18 written statement, by a member ~~or a person, including, but not~~  
19 ~~limited to, a physician, authorized in writing to act on behalf~~  
20 ~~of the member,~~ to the health care corporation that the health  
21 care corporation has wrongfully refused or failed to respond in a  
22 timely manner to a request for benefits or payment.

23 (5) The commissioner shall by rule establish a procedure for  
24 determination under this section, which shall be reasonably cal-  
25 culated to resolve these matters informally and as rapidly as  
26 possible, while protecting the interests of both the person and  
27 the health care corporation.

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1       (6) If either the health care corporation or ~~the~~ A person  
2 OTHER THAN A MEMBER disagrees with a determination of the commis-  
3 sioner or his or her designee under this section, the commis-  
4 sioner or his or her designee, if requested to do so by either  
5 party, shall proceed to hear the matter as a contested case under  
6 the administrative procedures act.

7       (7) A MEMBER MAY AUTHORIZE IN WRITING ANY PERSON, INCLUDING,  
8 BUT NOT LIMITED TO, A PHYSICIAN, TO ACT ON HIS OR HER BEHALF AT  
9 ANY STAGE IN A GRIEVANCE PROCEEDING UNDER THIS SECTION.