

SENATE BILL NO. 675

June 17, 1999, Introduced by Senator BYRUM and referred to the
Committee on Health Policy.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2212b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2212B. (1) AS USED IN THIS SECTION:

2 (A) "UTILIZATION REVIEW" MEANS A SYSTEM FOR PROSPECTIVE AND
3 CONCURRENT REVIEW OF THE MEDICAL NECESSITY AND APPROPRIATENESS IN
4 THE ALLOCATION OF HEALTH CARE RESOURCES AND SERVICES GIVEN OR
5 PROPOSED TO BE GIVEN TO AN INSURED UNDER A POLICY OR CERTIFICATE
6 ISSUED UNDER SECTION 3405 OR 3631. UTILIZATION REVIEW DOES NOT
7 INCLUDE ELECTIVE REQUESTS FOR CLARIFICATION OF COVERAGE.

8 (B) "UTILIZATION REVIEW ACCREDITATION COMMISSION" MEANS THE
9 AMERICAN ACCREDITATION HEALTHCARE COMMISSION/UTILIZATION REVIEW
10 ACCREDITATION COMMISSION.

1 (2) THIS SECTION APPLIES TO A POLICY OR CERTIFICATE ISSUED
2 UNDER SECTION 3405 OR 3631.

3 (3) AN INSURER SHALL ESTABLISH A POLICY GOVERNING TERMINA-
4 TION OF HEALTH CARE PROVIDERS. THE POLICY SHALL INCLUDE, BUT IS
5 NOT LIMITED TO, ALL OF THE FOLLOWING:

6 (A) NOTICE TO THE PROVIDER OF THE TERMINATION IN THE TIME
7 AND MANNER SPECIFIED IN THE PROVIDER'S CONTRACT.

8 (B) METHODS BY WHICH THE TERMINATION POLICY WILL BE MADE
9 KNOWN TO PROVIDERS AND INSURED'S AT THE TIME OF ENROLLMENT AND ON
10 A PERIODIC BASIS.

11 (C) WRITTEN NOTIFICATION TO EACH INSURED AT LEAST 30 BUSI-
12 NESS DAYS PRIOR TO THE TERMINATION OR WITHDRAWAL FROM THE
13 INSURER'S PROVIDER NETWORK OF AN INSURED'S PRIMARY CARE PROVIDER
14 AND ANY OTHER PROVIDER FROM WHICH THE INSURED IS CURRENTLY
15 RECEIVING A COURSE OF TREATMENT. THE 30-DAY PRIOR NOTICE TO
16 INSURED'S MAY BE WAIVED IN CASES OF IMMEDIATE TERMINATION OF A
17 PROVIDER WHERE IT WAS NECESSARY FOR THE PROTECTION OF THE HEALTH,
18 SAFETY, AND WELFARE OF INSURED'S.

19 (4) AN INSURER SHALL NOT TERMINATE A HEALTH CARE PROVIDER'S
20 PARTICIPATION WITH THE INSURER BECAUSE OF THE UTILIZATION OF
21 SERVICES CAUSED BY 1 OR MORE HIGH UTILIZATION INSURED'S.

22 (5) AN INSURER THAT WISHES TO PERFORM UTILIZATION REVIEW
23 IN-HOUSE SHALL DO SO ONLY UNDER EITHER OF THE FOLLOWING
24 CIRCUMSTANCES:

25 (A) IF THE UTILIZATION REVIEW STANDARDS TO BE USED HAVE BEEN
26 APPROVED OR ACCREDITED BY THE UTILIZATION REVIEW ACCREDITATION
27 COMMISSION.

1 (B) THE PLAN HAS DEMONSTRATED TO THE COMMISSIONER THAT IT
2 ADHERES TO UTILIZATION REVIEW STANDARDS THAT ARE SUBSTANTIALLY
3 SIMILAR TO STANDARDS APPROVED OR ACCREDITED BY THE UTILIZATION
4 REVIEW ACCREDITATION COMMISSION AND THE STANDARDS PROVIDE THE
5 SAME OR GREATER PROTECTION TO THE RIGHTS OF INSURED WHOSE CARE
6 IS REVIEWED.

7 (6) AN INSURER SHALL ONLY CONTRACT WITH A UTILIZATION REVIEW
8 COMPANY FOR THE PERFORMANCE OF UTILIZATION REVIEW SERVICES IF THE
9 UTILIZATION REVIEW COMPANY SHOWS EITHER OF THE FOLLOWING:

10 (A) THE UTILIZATION REVIEW COMPANY HAS BEEN APPROVED OR
11 ACCREDITED BY THE UTILIZATION REVIEW ACCREDITATION COMMISSION.

12 (B) THE UTILIZATION REVIEW COMPANY HAS DEMONSTRATED TO THE
13 COMMISSIONER THAT IT ADHERES TO UTILIZATION REVIEW STANDARDS THAT
14 ARE SUBSTANTIALLY SIMILAR TO STANDARDS APPROVED OR ACCREDITED BY
15 THE UTILIZATION REVIEW ACCREDITATION COMMISSION AND THE STANDARDS
16 PROVIDE THE SAME OR GREATER PROTECTION TO THE RIGHTS OF INSURED
17 WHOSE CARE IS REVIEWED.

18 Enacting section 1. This amendatory act takes effect
19 January 1, 2000.