

AVAILABILITY OF CLAIMS HISTORY OF PUBLIC SCHOOL BENEFIT PLAN

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House Bill 4274

Sponsor: Rep. Barb Vander Veen

Committee: Education

Complete to 5-10-05

A SUMMARY OF HOUSE BILL 4274 AS INTRODUCED 2-15-05

House Bill 4274 would amend the Third Party Administrator Act to require the disclosure of a benefit plan's claims history under certain circumstances.

The bill specifies that if the sponsor of a benefit plan is a public school employer, then the service contract for the plan must provide that claims history under the contract be made available upon request to the public school employer. The claims history to be provided would have to include all of the following information for the benefit plan, on a school district basis, for the immediately preceding 12-month period:

- 1) the total number of individuals covered;
- 2) the total number of claims paid;
- 3) the total number of claims pending, and the total dollar amount of those claims;
- 4) the claims experience data by coverage component; and,
- 5) any other health claims data necessary for the public school employer to obtain competitive bids for other third party administrator services, or other health care coverage.

The bill further specifies that information under this subsection could not disclose personal data that might reveal the identity of an individual with coverage by the benefit plan.

Under the bill, "public school district" would be defined to mean an intermediate school district, local act school district, public school academy, or school district as those terms are defined in sections 4, 5, and 6 of the Revised School Code. "Public school employer" would be defined to mean that term as it is defined in section 1 of Public Act 336 of 1947 [which defines the term to mean a public employer that is the board of a school district, intermediate school district, or public school academy; is the chief executive officer of a school district in which a school reform board is in place under part 5A of the Revised School Code; or is the governing board of a joint endeavor or consortium consisting of any combination of school districts, intermediate school districts, or public school academies].

Finally, currently under the law a third party administrator (sometimes referred to as a TPA) must provide for the confidentiality of personal data that identifies an individual covered by a plan, and the law describes instances when a TPA can and cannot disclose records. Generally, the release of personal information requires the written consent of the individual covered by a plan. The bill specifies that this section concerning confidentiality would not apply to information disclosed as required by section 31 [the new section that would be added by House Bill 4274].

MCL 550.934

FISCAL IMPACT:

There would be no fiscal impact to either the state or local units of government by this bill.

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■ 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.