

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner

In the matter of notice of intent to make a
determination with respect to the Home Health
Care Provider Class Plan of Blue Cross Blue
Shield of Michigan pursuant to Section
509(2) of 1980 P. A. 350

No. 07-042-BC

Issued and entered
this 23rd day of July 2007
by Linda A. Watters
Commissioner

**ORDER FOR NOTICE OF
INTENT TO REVIEW**

I

BACKGROUND

Section 509(1) of 1980 P. A. 350, as amended (Act), being MCLA 550.1101 et seq.; MSA 24.660 (101) et seq., allows the Commissioner of Insurance and Financial Services (Commissioner) to determine whether the arrangements Blue Cross Blue Shield of Michigan (BCBSM) has established with health care providers have substantially achieved the cost, access and quality of care goals set forth in the Act.

The Commissioner is required to evaluate enough BCBSM provider class plans to account for at least 75% of the corporation's provider payments during a 3-year period. The latest 3 year period began on January 1, 2007 and ends December 31, 2009. The Commissioner intends to review the provider class plan for home health care providers at this time.

Section 509(2) of the Act requires the Commissioner to give written notice to BCBSM, and to each person who has requested a copy of such notice, of her intent to make a determination with respect to the provider class plans filed by BCBSM. Section 509(2) grants the Commissioner six months in which to reach her determinations.

Provider Class Plan
Page 2

Section 505(2) of the Act requires the Commissioner to establish and implement procedures whereby any person, including a subscriber, may offer advice and consultation on the development, modification, implementation, or review of provider class plans.

In addition to the requirement to gain input on the review and development of provider class plans, there is need to establish an accurate record of the comments presented to the Commissioner. The record can then serve as part of the basis for the determinations that will be made by the Commissioner with regard to BCBSM's achievement of the goals of Section 504.

II

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon the foregoing considerations, it is FOUND and CONCLUDED that:

1. Pursuant to Section 509(2) of the Act, the Commissioner shall give written notice to BCBSM, and to each person who has requested a copy of such notice, that she intends to make a determination with respect to a particular provider class plan. The Commissioner shall have 6 months in which to reach a determination.
2. Pursuant to Section 505(2) of the Act, the Commissioner must establish a procedure to gain input into the review and development of provider class plans prepared by BCBSM. The statute is silent as to the method chosen by the Commissioner to fulfill this responsibility.
3. The procedure established by the Commissioner should facilitate the presentation of information by any person and encourage input.

III

ORDER

Therefore, it is ORDERED that:

1. A determination shall be made with respect to the home health care provider class plan. The evaluation period shall include calendar years 2005 and 2006. A determination with respect to the home health care provider class plan will be made by January 23, 2008.
2. This order shall serve as notice of intent to make a determination with respect to the above stated provider class plan pursuant to Section 509(2) of the Act.

Provider Class Plan
Page 3

3. Questions of interest pertaining to the home health care provider class plan are included in Attachment A. Pursuant to Section 505(2), written comments will be accepted with regard to these questions or any other matters concerning the home health care provider class plan through October 19, 2007, when mailed to:

Office of Financial and Insurance Services
Health Plans Division
Attention: Susan M. Scarane
P. O. Box 30220
Lansing, MI 48909

The Commissioner retains jurisdiction of the matters contained herein and the authority to enter such further Order or Orders, as she shall deem just, necessary, and appropriate.

Linda A. Watters
Commissioner