

Michigan Legislature Enacts Surprise Billing Law

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The Michigan legislature recently passed two bills that are aimed at helping protect patients from surprise balance billing. Public Acts [234](#) & [235](#) went into effect on **October 22, 2020** but penalties for violating the law will not be imposed until **January 1, 2021**.

What is Balance Billing & How Will it Change?

Balance billing occurs when healthcare providers charge out-of-network patients an additional amount beyond what the patient's insurance carrier will cover. Balance billing occurs most frequently in emergency situations when patients may not have a choice in which healthcare provider treats them (i.e. when an ambulance takes a patient to an out-of-network hospital). To limit surprise balance billing, the new bills include the following provisions:

- **Disclosure**—healthcare providers treating out-of-network patients (in non-emergency situations) must provide the patient with a “good faith” estimate of what the treatment/services will cost. Patients must also be given the opportunity to request that treatment be provided by an in-network provider.
- **Cost Limitations**—In emergency situations, out-of-network healthcare providers are now limited in the amount they can charge patients. Out-of-network healthcare providers are now required to accept either the median payment amount the insurance carrier will pay to in-network providers, or 150% of what Medicare pays for the treatment (whichever amount is greater).

Important Reminder for Employers

If any of your employees enrolled in your health plan receive a large bill from an out-of-network healthcare provider (for services provided on or after October 22, 2020), it is recommend that they contact the health insurance carrier directly to ensure that the bill does not violate the new law. Employees may contact their insurance carrier directly by calling the customer servicer number on their health insurance ID card.

If you have any additional questions or concerns please contact me at adillingham@benefitreview.com

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