



May 17, 2016

Representative Mike Callton, Chairman
Health Policy Committee
124 North Capitol Avenue
P.O. Box 30014
Lansing, MI 48909-7514

Representative Ray Franz, 101st District
S-1385 House Office Building
P.O. Box 30014
Lansing, MI 48909

Senator Darwin Booher, 35th District
P.O. Box 30036
Lansing, MI 48909-7536

Re: HB 5091

Dear Rep. Callton, Rep. Franz and Sen. Booher:

I am writing to you in support of HB 5091, a bill to add section 2212d to the insurance code of 1956, Act 218 of the Public Acts of 1956. Section 2212d would prohibit an insurer or health maintenance organization from requiring physicians to hold certain certifications before paying or reimbursing claims unless specifically required for licensure.

I am the CEO of West Shore Medical Center in Manistee, Michigan. West Shore Medical Center is a municipal health facilities corporation, organized under 1987 PA 230. We are a small, 45 licensed bed, acute care hospital located in rural Northwest Michigan. We are the only hospital in Manistee County. The nearest hospital is located over 30 miles away in Ludington. Our community is a designated Health Professional Shortage Area.

West Shore Medical Center currently employs physicians in most major areas of health care, including pediatrics, general surgery, internal medicine, and more. All provide high quality, patient-centered care. While most of our physicians are board certified, some are not.

Subject to limited exceptions, most major insurers, such as Blue Cross Blue Shield of Michigan (BCBS), require board certification as a condition of reimbursement. While we understand that the intent of the board certification requirement is to assure the insurance company's subscribers that they are receiving quality care, the requirement as applied looks very arbitrary and is actually quite burdensome on rural county hospitals such as ours. The consequence of a physician not achieving board certification is disaffiliation from insurance networks. This has an extremely detrimental effect on patient care.

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For example, one of our specialists has been practicing in our community for over seven years. Throughout that time, she has been receiving reimbursements from BCBS. She is set up as a Patient Centered Medical Home through BCBS accreditation as administered by Northern Physicians Organization (NPO). This physician has received high quality marks from NPO. She is also a very visible and important part of our community, through serving on the health advisory committee for our local school district and assisting with the Manistee County Child Advocacy Center. Despite the accreditation from BCBS, and despite the important services this physician provides to community health, BCBS recently informed her that she was being disaffiliated from the BCN Advantage (Medicare), PPO TRUST, Medicare Plus Blue PPO, and BCN Commercial networks. The sole reason for disaffiliation was that this physician was not board certified.

Disaffiliation from BCBS would affect almost 500 patients who consider this physician their primary care provider. That number represents approximately 40% of her practice. The only other physician board certified in this specialty in Manistee already has a full patient case load and cannot absorb an additional 500 patients. Patients would have to travel over 30 miles to the south or approximately 100 miles to the north to find another board certified physician in this field. We have been actively recruiting for another specialist in this field, but as a small, rural hospital, West Shore faces many challenges in recruiting specialists to our area.

Prohibiting insurers from requiring board certification as a condition of reimbursement would eliminate an artificial gauge of quality health care. Other measures are in place to ensure that providers are providing the very best quality to patients. Insurers still have many tools at their disposal, including utilization review. Hospitals also have tools to ensure quality, such as the credentialing and privileging process, as well as peer review. Enacting HB 5091 would relieve rural hospitals such as West Shore Medical Center from the fear that their providers could be dropped from a network in which they have had years of participation, leaving hundreds of patients without their physician that they have come to know, trust, and depend on. HB 5091 would allow hospitals and their physicians to focus on what matters – patient care.

Thank you for your time and consideration. If you should have any questions, please feel free to contact me at your convenience.



James Barker, CEO