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Title: Blue Cross Blue Shield of Michigan and Physician Payments Withhold

Introduced by: Dorothy Kahkonen, MD, for the Wayne County Delegation

Original Author: Mohammed Arsiwala, MD

Referred to: Reference Committee A

House Action: Adopted as Amended

Whereas, Blue Cross Blue Shield of Michigan’s (BCBSM) Physician Group Incentive Program (PGIP) was created in 2004, and

Whereas, PGIP initially focused on chronic disease management and promoting generic drugs, and

Whereas, in 2007, PGIP and the Physicians Organization Gain Sharing Program (PGOS) were combined, and

Whereas, as of December 2011, PGIP includes 40 Physician Organizations (POs) from across the state of Michigan, representing nearly 15,000 primary care and specialty physicians who are members of the BCBSM Trust PPO and/or Traditional networks, and

Whereas, BCBSM claims that through PGIP, BCBSM is helping to improve the quality of care for all Michigan residents, and

Whereas, approximately 66% of active primary care Trust physicians and 15% of specialty physicians in the Trust PPO network benefit from PGIP, and

Whereas, for services subject to the Trust PPO fee schedule, BCBSM funds the physician incentive reward pool by securing a portion (4.2% as of July 1, 2011) of the Physician fee for most procedure codes; therefore be it

RESOLVED: That MSMS ask Blue Cross Blue Shield of Michigan (BCBSM) to disclose on the BCBSM web site the Reward Pool Accrual from the Physician Group Incentive Program; and be it further

RESOLVED: That MSMS ask Blue Cross Blue Shield of Michigan (BCBSM) to disclose on the BCBSM web site the method or formula for payment distribution of PGIP dollars to physician organizations; and be it further

RESOLVED: That MSMS ask Blue Cross Blue Shield of Michigan (BCBSM) to stop the practice of discounting the 4.2% from physician

50 reimbursement to primary care physicians and specialist physicians who do
51 not participate in PGIP; and be it further

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53 **RESOLVED:** That MSMS ask Blue Cross Blue Shield of Michigan (BCBSM) to
54 demonstrate the claim that PGIP improves the lives of participants in the State
55 of Michigan and BCBSM's charitable mission.

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58 **WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**
