

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 541**

A bill to amend 2011 PA 152, entitled
"Publicly funded health insurance contribution act,"
by amending section 2 (MCL 15.562).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 (a) "Designated state official" means:
- 3 (i) For an election affecting employees and officers in the
- 4 judicial branch of state government, the state court administrator.
- 5 (ii) For an election affecting senate employees and officers,
- 6 the secretary of the senate.
- 7 (iii) For an election affecting house of representatives
- 8 employees and officers, the clerk of the house.
- 9 (iv) For an election affecting legislative council employees,

1 the legislative council.

2 (v) For an election affecting employees in the state
3 classified service, the civil service commission.

4 (vi) For an election affecting executive branch employees who
5 are not in the state classified service, the state employer.

6 (b) "Flexible spending account" means a medical expense
7 flexible spending account in conjunction with a cafeteria plan as
8 permitted under the federal internal revenue code of 1986.

9 (c) "Health savings account" means an account as permitted
10 under section 223 of the internal revenue code of 1986, 26 USC 223.

11 (d) "Local unit of government" means a city, village,
12 township, or county, a municipal electric utility system as defined
13 in section 4 of the Michigan energy employment act of 1976, 1976 PA
14 448, MCL 460.804, an authority created under chapter VIA of the
15 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.108
16 to 259.125c, or an authority created under 1939 PA 147, MCL 119.51
17 to 119.62.

18 (e) "Medical benefit plan" means a plan established and
19 maintained by a carrier, a voluntary employees' beneficiary
20 association described in section 501(c)(9) of the internal revenue
21 code of 1986, 26 USC 501, or by 1 or more public employers, that
22 provides for the payment of medical benefits, including, but not
23 limited to, hospital and physician services, prescription drugs,
24 and related benefits, for public employees or elected public
25 officials. Medical benefit plan does not include benefits provided
26 to individuals retired from a public employer **OR A PUBLIC**
27 **EMPLOYER'S CONTRIBUTIONS TO A FUND USED FOR THE SOLE PURPOSE OF**

1 FUNDING HEALTH CARE BENEFITS THAT ARE AVAILABLE TO A PUBLIC
2 EMPLOYEE OR AN ELECTED PUBLIC OFFICIAL ONLY UPON RETIREMENT OR
3 SEPARATION FROM SERVICE.

4 (F) "MEDICAL BENEFIT PLAN COSTS" DOES NOT INCLUDE A PAYMENT BY
5 THE PUBLIC EMPLOYER TO AN EMPLOYEE OR ELECTED PUBLIC OFFICIAL IN
6 LIEU OF MEDICAL BENEFIT PLAN COVERAGE AND, FOR A MEDICAL BENEFIT
7 PLAN COVERAGE YEAR BEGINNING AFTER THE LATER OF JANUARY 1, 2014 OR
8 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
9 SUBDIVISION, INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

10 (i) ANY AMOUNT THAT THE PUBLIC EMPLOYER PAYS DIRECTLY OR
11 INDIRECTLY FOR THE ASSESSMENT LEVIED PURSUANT TO THE HEALTH
12 INSURANCE CLAIMS ASSESSMENT ACT, 2011 PA 142, MCL 550.1731 TO
13 550.1741.

14 (ii) INSURANCE AGENT OR COMPANY COMMISSIONS.

15 (iii) ANY ADDITIONAL AMOUNT THE PUBLIC EMPLOYER IS REQUIRED TO
16 PAY AS A FEE OR TAX UNDER THE PATIENT PROTECTION AND AFFORDABLE
17 CARE ACT, PUBLIC LAW 111-148, AS AMENDED BY THE FEDERAL HEALTH CARE
18 AND EDUCATION RECONCILIATION ACT OF 2010, PUBLIC LAW 111-152.

19 (G) "MEDICAL BENEFIT PLAN COVERAGE YEAR" MEANS THE 12-MONTH
20 PERIOD AFTER THE EFFECTIVE DATE OF THE CONTRACTUAL OR SELF-INSURED
21 MEDICAL COVERAGE PLAN THAT A PUBLIC EMPLOYER PROVIDES TO ITS
22 EMPLOYEES OR PUBLIC OFFICIALS.

23 (H) ~~(f)~~—"Public employer" means this state; a local unit of
24 government or other political subdivision of this state; any
25 intergovernmental, metropolitan, or local department, agency, or
26 authority, or other local political subdivision; a school district,
27 a public school academy, or an intermediate school district, as

1 those terms are defined in sections 4 to 6 of the revised school
2 code, 1976 PA 451, MCL 380.4 to 380.6; a community college or
3 junior college described in section 7 of article VIII of the state
4 constitution of 1963; or an institution of higher education
5 described in section 4 of article VIII of the state constitution of
6 1963.

7 Enacting section 1. This amendatory act clarifies the original
8 intent of the legislature and is curative and retroactive as to the
9 exclusion of funding for health care benefits that are available
10 only upon either retirement or separation from service from the
11 definition of medical benefit plan and as to the exclusion of
12 payments in lieu of medical benefit plan coverage from medical
13 benefit plan costs.