



SENATE BILL No. 542

September 25, 2013, Introduced by Senators CASWELL, COLBECK and HANSEN and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 2011 PA 152, entitled
"Publicly funded health insurance contribution act,"
by amending section 3 (MCL 15.563).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) Except as otherwise provided in this act, a public
2 employer that offers or contributes to a medical benefit plan for
3 its employees or elected public officials shall pay no more of the
4 annual costs or illustrative rate and any payments for
5 reimbursement of co-pays, deductibles, or payments into health
6 savings accounts, flexible spending accounts, or similar accounts
7 used for health care costs, than a total amount equal to \$5,500.00
8 times the number of employees **AND ELECTED PUBLIC OFFICIALS** with

1 single-person coverage, \$11,000.00 times the number of employees
2 **AND ELECTED PUBLIC OFFICIALS** with individual-and-spouse coverage,
3 plus \$15,000.00 times the number of employees **AND ELECTED PUBLIC**
4 **OFFICIALS** with family coverage, **WHICH INCLUDES INDIVIDUAL-PLUS-1-**
5 **NONSPOUSE-DEPENDENT COVERAGE**, for a medical benefit plan coverage
6 year beginning on or after January 1, 2012. A public employer may
7 allocate its payments for medical benefit plan costs among its
8 employees and elected public officials as it sees fit. By October 1
9 of each year after 2011, the state treasurer shall adjust the
10 maximum payment permitted under this ~~section~~**SUBSECTION** for each
11 coverage category for medical benefit plan coverage years beginning
12 the succeeding calendar year, based on the change in the medical
13 care component of the United States consumer price index for the
14 most recent 12-month period for which data are available from the
15 United States department of labor, bureau of labor statistics.

16 (2) **FOR A MEDICAL BENEFIT PLAN COVERAGE YEAR BEGINNING JANUARY**
17 **1, 2013 THROUGH DECEMBER 31, 2013, THE MULTIPLIER USED TO CALCULATE**
18 **THE MAXIMUM PUBLIC EMPLOYER PAYMENT UNDER SUBSECTION (1) SHALL BE**
19 **\$13,455.00 FOR EMPLOYEES AND ELECTED PUBLIC OFFICIALS WITH**
20 **INDIVIDUAL-AND-SPOUSE COVERAGE AND SHALL BE ADJUSTED EACH YEAR AS**
21 **PROVIDED IN SUBSECTION (1).**

22 (3) **FOR PURPOSES OF CALCULATING A PUBLIC EMPLOYER'S MAXIMUM**
23 **TOTAL ANNUAL MEDICAL BENEFIT PLAN COSTS UNDER SUBSECTION (1),**
24 **"EMPLOYEE OR ELECTED PUBLIC OFFICIAL" DOES NOT INCLUDE AN EMPLOYEE**
25 **OR ELECTED PUBLIC OFFICIAL WHO DECLINES THE MEDICAL BENEFIT PLAN**
26 **OFFERED OR CONTRIBUTED TO BY THE PUBLIC EMPLOYER.**

27 (4) **A PUBLIC EMPLOYER'S TOTAL ANNUAL COSTS OF ALL OF THE**

Senate Bill No. 542 as amended October 8, 2013

1 MEDICAL BENEFIT PLANS THE PUBLIC EMPLOYER OFFERS OR CONTRIBUTES TO
2 FOR ITS EMPLOYEES AND ELECTED PUBLIC OFFICIALS UNDER THIS SECTION
3 DO NOT INCLUDE ANY OF THE FOLLOWING:

4 (A) A PAYMENT BY THE PUBLIC EMPLOYER TO AN EMPLOYEE OR ELECTED
5 PUBLIC OFFICIAL IN LIEU OF MEDICAL BENEFIT PLAN COVERAGE.

6 (B) ANY AMOUNT THAT THE PUBLIC EMPLOYER PAYS DIRECTLY OR
7 INDIRECTLY FOR THE ASSESSMENT LEVIED PURSUANT TO THE HEALTH
8 INSURANCE CLAIMS ASSESSMENT ACT, 2011 PA 142, MCL 550.1731 TO
9 550.1741.

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

10 Enacting section 1. Section 3(1), (3), and (4) of the publicly
11 funded health insurance contribution act, 2011 PA 152, MCL 15.563,
12 as amended or added by this amendatory act, clarifies the original
13 intent of the legislature that the term "family coverage" includes
14 individual-plus-1-nonspouse-dependent coverage; that a public
15 employee or elected official who declines the public employer's
16 medical benefit plan coverage is not an employee or elected public
17 official for purposes of calculating the public employer's maximum
18 total annual medical benefit plan costs; and that a public
19 employer's medical benefit plan costs do not include payments to
20 employees in lieu of medical benefit plan coverage or assessments
21 levied pursuant to the health insurance claims assessment act, 2011
22 PA 142, MCL 550.1731 to 550.1741. These amendments are curative and
23 apply retroactively.