

**SUBSTITUTE FOR
HOUSE BILL NO. 4038**

A bill to amend 2018 PA 175, entitled
"Insurance provider assessment act,"
by amending section 13 (MCL 550.1763).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) All money received and collected under this act
2 ~~shall~~**must** be deposited by the department in the insurance provider
3 fund established in this section.

4 (2) The insurance provider fund is created within the state
5 treasury and ~~shall~~**must** be administered by the department for
6 auditing purposes.

7 (3) The state treasurer may receive money or other assets from
8 any source for deposit into the fund. The state treasurer shall
9 direct the investment of the fund. The state treasurer shall credit



1 to the fund interest and earnings from fund investments.

2 (4) The department shall expend money from the fund, ~~upon~~ **on**
3 appropriation, only for 1 or more of the following purposes:

4 (a) Beginning in the ~~2018-2019~~ state fiscal year **ending**
5 **September 30, 2019**, the first \$14,000,000.00 to be appropriated for
6 the payment of actuarially sound capitation rates to Medicaid
7 managed care organizations, and each state fiscal year thereafter,
8 the amount necessary to continue to support the payment of
9 actuarially sound capitation rates to Medicaid managed care
10 organizations.

11 ~~(b) For the 2018-2019 state fiscal year, to appropriate an~~
12 ~~amount not to exceed \$315,000,000.00 to offset the net revenue lost~~
13 ~~under the health insurance claims assessment act, 2011 PA 142, MCL~~
14 ~~550.1731 to 550.1741.~~

15 ~~(c) For the 2019-2020 state fiscal year, to appropriate an~~
16 ~~amount not to exceed \$240,000,000.00 to offset the net revenue lost~~
17 ~~under the health insurance claims assessment act, 2001 PA 142, MCL~~
18 ~~550.1731 to 550.1741.~~

19 ~~(b) (d)~~ To pay administrative and compliance costs in
20 accordance with section 15.

21 **(c) For the state fiscal year ending September 30, 2026,**
22 **\$6,000,000.00 to the health data utility selected under section**
23 **2508 of the public health code, 1978 PA 368, MCL 333.2508.**

24 **(d) For the state fiscal year ending September 30, 2027,**
25 **\$7,000,000.00 to the health data utility selected under section**
26 **2508 of the public health code, 1978 PA 368, MCL 333.2508.**

27 **(e) For the state fiscal year ending September 30, 2028, and**
28 **each subsequent state fiscal year, \$8,000,000.00 to the health data**
29 **utility selected under section 2508 of the public health code, 1978**



PA 368, MCL 333.2508. Beginning January 1, 2029, and each January 1 after that date, the state treasurer shall adjust the amount under this subdivision in accordance with the Consumer Price Index. As used in this subdivision, "Consumer Price Index" means the annual average percentage change in the Detroit Consumer Price Index for all items for the prior 12-month period as reported by the United States Department of Labor.

(f) ~~(e)~~—The balance of the fund remaining after the appropriations described in subdivisions (a) ~~, (b), (c), and (d)~~ shall ~~to~~ **(e) must** be transferred to a separate restricted account within the insurance provider fund and ~~only~~ used **only** as appropriated by the legislature.

(5) Money in the fund at the close of the fiscal year ~~shall~~ **must** remain in the fund and ~~shall~~ **must** not lapse to the general fund.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4037 of the 103rd Legislature is enacted into law.