



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

Senate Bill 324 (Substitute S-4 as reported)  
Sponsor: Senator Jim Marleau  
Committee: Health Policy

### **CONTENT**

The bill would add Chapter 12A to the Insurance Code to do the following:

- Require an individual to be certified in order to act as an insurance navigator or receive funding from a health benefit exchange established under the Affordable Care Act.
- Require a business entity acting as a navigator to be certified.
- Establish conditions for certification of an individual or business entity.
- Authorize an insurance navigator to provide public education and information regarding qualified health plans and facilitate plan selection.
- Prohibit a navigator from selling insurance or endorsing a particular health plan.
- If an exchange were operational in Michigan, require the Director of the Department of Insurance and Financial Services (DIFS) to determine whether a program to certify and train navigators, other than a program established by the State, protected the privacy and security of Michigan residents' personally identifiable information.
- If the DIFS Director determined that the program did not protect Michigan residents, require him or her to establish a certification and training program for prospective navigators.
- Allow the DIFS Director to place on probation, suspend, or revoke a navigator's certificate and/or levy a civil fine for certain causes prescribed in the Code.
- Require license revocation or denial if person received a financial benefit from an insurer offering plans through an exchange, beginning October 1, 2013.
- Authorize the Director to take action against a navigator's certificate to protect insureds and the public.
- Allow suspension, revocation, or refusal of a business entity's navigator certificate if any of the entity's partners, officers, or managers knew of an individual navigator's violation and the violation were not reported to the DIFS Director and corrective action were not taken.

(The Affordable Care Act, or ACA, is the Federal Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act.)

MCL 500.102 et al.

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the Department of Insurance and Financial Services. The Department would be required to establish a licensing and training program for health insurance exchange navigators, process applications from prospective navigators, and develop and score licensing examinations for navigators. All of these requirements would result in new costs to the Department. DFIS Director could establish a fee structure for the licensing of navigators; to the extent that the fees were set at a level

so as to generate sufficient revenue, new costs to the Department would be offset by revenue from the fees.

The bill also would result in additional General Fund/General Purpose revenue for the State from various civil fines levied against individuals who violated the bill. It is unknown how many violations of would occur, but the amount of new revenue from these civil fines would likely be small.

Date Completed: 6-17-13

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.