

SENATE BILL No. 335

April 30, 2013, Introduced by Senator KAHN and referred to the Committee on Appropriations.

A bill to amend 2011 PA 142, entitled
"Health insurance claims assessment act,"
by amending section 3 (MCL 550.1733); and to repeal acts and parts
of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) For dates of service beginning on or after January
2 1, 2012, subject to **THIS SUBSECTION AND** subsections (2), (3), and
3 (4), there is levied upon and there shall be collected from every
4 carrier and third party administrator an assessment of 1% on that
5 carrier's or third party administrator's paid claims. **BEGINNING**
6 **JANUARY 1, 2017 AND ON JANUARY 1 OF EVERY THIRD YEAR AFTER 2017,**
7 **THE DEPARTMENT SHALL ADJUST THE ASSESSMENT RATE UNDER THIS**
8 **SUBSECTION BY THE MEDICAL INFLATION RATE FOR THE PRECEDING 3-YEAR**
9 **PERIOD.**

10 (2) A carrier with a suspension or exemption under section
11 3717 of the insurance code of 1956, 1956 PA 218, MCL 500.3717, on

1 ~~the effective date of this act~~ **SEPTEMBER 20, 2011** is subject to an
2 assessment of 0.1%.

3 (3) All of the following apply to a group health plan that
4 uses the services of a third party administrator or excess loss or
5 stop loss insurer:

6 (a) A group health plan sponsor ~~shall~~ **IS** not be responsible
7 for an assessment under this subsection for a paid claim ~~where~~ **IF**
8 the assessment on that claim has been paid by a third party
9 administrator or excess loss or stop loss insurer, except as
10 otherwise provided in section 3a(2).

11 (b) Except as otherwise provided in subdivision (d), the third
12 party administrator ~~shall be~~ **IS** responsible for all assessments on
13 paid claims paid by the third party administrator.

14 (c) Except as otherwise provided in subdivision (d), the
15 excess loss or stop loss insurer ~~shall be~~ **IS** responsible for all
16 assessments on paid claims paid by the excess loss or stop loss
17 insurer.

18 (d) If there is both a third party administrator and an excess
19 loss or stop loss insurer servicing the group health plan, the
20 third party administrator ~~shall be~~ **IS** responsible for all
21 assessments for paid claims that are not reimbursed by the excess
22 loss or stop loss insurer and the excess loss or stop loss insurer
23 ~~shall be~~ **IS** responsible for all assessments for paid claims that
24 are reimbursable to the excess loss or stop loss insurer.

25 (4) The assessment under this section shall not exceed
26 \$10,000.00 per insured individual or covered life annually.

27 (5) To the extent an assessment paid under this section for

1 paid claims for a group plan or individual subscriber is inaccurate
2 due to subsequent claim adjustments or recoveries, subsequent
3 filings shall be adjusted to accurately reflect the correct
4 assessment based on actual claims paid.

5 (6) If the assessment under this section collects revenue in
6 an amount greater than \$400,000,000.00, adjusted annually by the
7 medical inflation rate, each carrier and third party administrator
8 that paid the assessment shall receive a proportional credit
9 against the carrier's or third party administrator's assessment in
10 the immediately succeeding year. The department shall send a notice
11 of credit to each carrier or third party administrator entitled to
12 a credit under this subsection not later than July 1. A carrier or
13 third party administrator entitled to a credit under this
14 subsection shall apply that credit to the July 30 payment. Any
15 unused credit shall be carried forward and applied to subsequent
16 payments. If a carrier or third party administrator entitled to a
17 credit under this subsection has no liability under this act in the
18 immediately succeeding year or if this act is no longer in effect,
19 the department shall issue that carrier or third party
20 administrator a refund in the amount of any unused credit. If a
21 third party administrator receives a credit or refund under this
22 subsection, the third party administrator shall apply that credit
23 or refund to the benefit of the entity for which it processed the
24 claims under a service contract.

25 Enacting section 1. Enacting section 2 of 2011 PA 142 is
26 repealed.