

SENATE BILL No. 913

April 29, 2014, Introduced by Senators KAHN and PAPPAGEORGE 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).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) For dates of service beginning on or after January
2 1, 2012 **AND ENDING ON JUNE 30, 2014**, subject to subsections (2),
3 (3), and (4), there is levied upon and there shall be collected
4 from every carrier and third party administrator an assessment of
5 1% on that carrier's or third party administrator's paid claims.
6 **FOR DATES OF SERVICE BEGINNING ON OR AFTER JULY 1, 2014, SUBJECT TO**
7 **THIS SUBSECTION AND SUBSECTIONS (2), (3), AND (4), THERE IS LEVIED**
8 **UPON AND THERE SHALL BE COLLECTED FROM EVERY CARRIER AND THIRD**
9 **PARTY ADMINISTRATOR AN ASSESSMENT OF 0.75% ON THAT CARRIER'S OR**
10 **THIRD PARTY ADMINISTRATOR'S PAID CLAIMS. FOR DATES OF SERVICE**

1 BEGINNING ON OR AFTER JULY 1, 2014, SUBJECT TO SUBSECTIONS (2),
2 (3), AND (4), THE ASSESSMENT LEVIED UNDER THIS SUBSECTION WILL
3 INCREASE TO 1.0% IF THE FEDERAL GOVERNMENT INFORMS THIS STATE THAT
4 THE USE TAX REVENUES ASSESSED ON ENTITIES UNDER SECTION 3F OF THE
5 USE TAX ACT, 1937 PA 94, MCL 205.93F, WILL NOT BE FEDERALLY
6 REIMBURSED.

7 (2) A carrier with a suspension or exemption under section
8 3717 of the insurance code of 1956, 1956 PA 218, MCL 500.3717, on
9 ~~the effective date of this act~~ **SEPTEMBER 20, 2011** is subject to an
10 assessment of 0.1%.

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

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

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

22 (c) Except as otherwise provided in subdivision (d), the
23 excess loss or stop loss insurer ~~shall be~~ **IS** responsible for all
24 assessments on paid claims paid by the excess loss or stop loss
25 insurer.

26 (d) If there is both a third party administrator and an excess
27 loss or stop loss insurer servicing the group health plan, the

1 third party administrator ~~shall be~~ **IS** responsible for all
2 assessments for paid claims that are not reimbursed by the excess
3 loss or stop loss insurer and the excess loss or stop loss insurer
4 ~~shall be~~ **IS** responsible for all assessments for paid claims that
5 are reimbursable to the excess loss or stop loss insurer.

6 (4) The assessment under this section shall not exceed
7 \$10,000.00 per insured individual or covered life annually.

8 (5) To the extent an assessment paid under this section for
9 paid claims for a group **HEALTH** plan or individual subscriber is
10 inaccurate due to subsequent claim adjustments or recoveries,
11 subsequent filings shall be adjusted to accurately reflect the
12 correct assessment based on actual claims paid.

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

1 administrator a refund in the amount of any unused credit. If a
2 third party administrator receives a credit or refund under this
3 subsection, the third party administrator shall apply that credit
4 or refund to the benefit of the entity for which it processed the
5 claims under a service contract.

6 Enacting section 1. This amendatory act does not take effect
7 unless Senate Bill No. 893 of the 97th Legislature is enacted into
8 law.