

# Legislative Analysis



## **SUNSET REMOVAL OF SHARING OF AUTOMOBILE INSURANCE INFORMATION WITH DHHS**

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<http://www.house.mi.gov/hfa>

**House Bill 6360 as reported from committee w/o amendment**  
**Sponsor: Rep. Edward J. Canfield D.O.**  
**Committee: Appropriations**  
**Complete to 12-5-18**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 6360 would amend the Insurance Code to remove the December 31, 2018 sunset on the requirement that the Secretary of State provide automobile insurance policy information to the Department of Health and Human Services (DHHS) for the purposes of coordinating medical expenses paid through automobile insurance and Medicaid.

Federal laws and regulations consider Medicaid the payer of last resort, so DHHS is required to identify other liable third parties through a practice known as Coordination of Benefits, which in Michigan includes personal injury protection through automobile insurance.

The bill would remove the December 31, 2018 sunset on a legislative report on the number of claims and total dollar amount recovered from automobile insurers.

The bill would also make technical, nonsubstantive changes related to the issuance of automobile insurance policies to conform to current practice.

MCL 500.3101a

### **FISCAL IMPACT:**

The bill would have no fiscal impact on the state or local units of government, as the bill would continue current practice of using these data to ensure all third party liabilities are utilized before Medicaid pays for the medical expense.

Overall, DHHS recovers \$100 million annually in Third Party Liabilities, which includes \$200,000 annually through this automobile insurance data match. Third party liability recoveries account for approximately 2% of the total Medicaid third party liability efforts, with cost avoidances accounting for the remaining 98%.

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