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BILL



ANALYSIS

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House Bill 6360 (Substitute H-2 as reported)
Sponsor: Representative Edward J. Canfield, D.O.
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

Public Act 91 of 2011 changed the Insurance Code to require automobile insurers to provide information on insured individuals to the Secretary of State. This information must be provided in a periodic fashion (but no more often than every 14 days) and must include the insurer's name, the name of the insured individual, the insured individual's address, the vehicle identification number for each vehicle listed on the insured individual's policy, and the policy number.

In turn, this information must be provided by the Secretary of State to the then-Department of Community Health (now Department of Health and Human Services, or DHHS) in order to aid in third-party liability recoveries for the State's Medicaid program. The purpose of the statute was to increase Medicaid third-party liability recoveries from automobile insurers. Under Federal law Medicaid is the payer of last resort, which means reimbursement by any other insurances must be satisfied before Medicaid is liable. As such, third-party liability recoveries offset Medicaid costs and reduce General Fund/General Purpose costs for the State.

The requirement that the Secretary of State pass along this information to the DHHS had a sunset date of December 31, 2014, which was extended to December 31, 2018, under Public Act 419 of 2014.

House Bill 6360 (H-2) would remove the December 31, 2018, sunset on the requirement that automobile insurance information be passed along by the Secretary of State to the DHHS.

MCL 500.3101a

FISCAL IMPACT

The legislation would continue current practice of sharing these data with the DHHS. Over the first five years of the legislation, the State recovered about \$755,000 (about \$151,000 per year) due to this statute, so expiration of the sunset could increase State Medicaid costs by a relatively modest amount.

Date Completed: 12-12-18

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