

# SENATE BILL No. 542

September 25, 2013, Introduced by Senators CASWELL, COLBECK and HANSEN and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 2011 PA 152, entitled  
"Publicly funded health insurance contribution act,"  
by amending section 3 (MCL 15.563).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) Except as otherwise provided in this act, a public  
2 employer that offers or contributes to a medical benefit plan for  
3 its employees or elected public officials shall pay no more of the  
4 annual costs or illustrative rate and any payments for  
5 reimbursement of co-pays, deductibles, or payments into health  
6 savings accounts, flexible spending accounts, or similar accounts  
7 used for health care costs, than a total amount equal to \$5,500.00  
8 times the number of employees **AND ELECTED PUBLIC OFFICIALS** with

1 single-person coverage, \$11,000.00 times the number of employees  
2 **AND ELECTED PUBLIC OFFICIALS** with individual-and-spouse coverage,  
3 plus \$15,000.00 times the number of employees **AND ELECTED PUBLIC**  
4 **OFFICIALS** with family coverage, **WHICH INCLUDES INDIVIDUAL-PLUS-1-**  
5 **NONSPOUSE-DEPENDENT COVERAGE**, for a medical benefit plan coverage  
6 year beginning on or after January 1, 2012. A public employer may  
7 allocate its payments for medical benefit plan costs among its  
8 employees and elected public officials as it sees fit. By October 1  
9 of each year after 2011, the state treasurer shall adjust the  
10 maximum payment permitted under this ~~section~~**SUBSECTION** for each  
11 coverage category for medical benefit plan coverage years beginning  
12 the succeeding calendar year, based on the change in the medical  
13 care component of the United States consumer price index for the  
14 most recent 12-month period for which data are available from the  
15 United States department of labor, bureau of labor statistics.

16 (2) **FOR A MEDICAL BENEFIT PLAN COVERAGE YEAR BEGINNING JANUARY**  
17 **1, 2013 THROUGH DECEMBER 31, 2013, THE MULTIPLIER USED TO CALCULATE**  
18 **THE MAXIMUM PUBLIC EMPLOYER PAYMENT UNDER SUBSECTION (1) SHALL BE**  
19 **\$13,455.00 FOR EMPLOYEES AND ELECTED PUBLIC OFFICIALS WITH**  
20 **INDIVIDUAL-AND-SPOUSE COVERAGE AND SHALL BE ADJUSTED EACH YEAR AS**  
21 **PROVIDED IN SUBSECTION (1).**

22 (3) **FOR PURPOSES OF CALCULATING A PUBLIC EMPLOYER'S MAXIMUM**  
23 **TOTAL ANNUAL MEDICAL BENEFIT PLAN COSTS UNDER SUBSECTION (1),**  
24 **"EMPLOYEE OR ELECTED PUBLIC OFFICIAL" DOES NOT INCLUDE AN EMPLOYEE**  
25 **OR ELECTED PUBLIC OFFICIAL WHO DECLINES THE MEDICAL BENEFIT PLAN**  
26 **OFFERED OR CONTRIBUTED TO BY THE PUBLIC EMPLOYER.**

27 (4) **A PUBLIC EMPLOYER'S TOTAL ANNUAL COSTS OF ALL OF THE**

1 MEDICAL BENEFIT PLANS THE PUBLIC EMPLOYER OFFERS OR CONTRIBUTES TO  
2 FOR ITS EMPLOYEES AND ELECTED PUBLIC OFFICIALS UNDER THIS SECTION  
3 DO NOT INCLUDE ANY OF THE FOLLOWING:

4 (A) A PAYMENT BY THE PUBLIC EMPLOYER TO AN EMPLOYEE OR ELECTED  
5 PUBLIC OFFICIAL IN LIEU OF MEDICAL BENEFIT PLAN COVERAGE.

6 (B) ANY AMOUNT THAT THE PUBLIC EMPLOYER PAYS DIRECTLY OR  
7 INDIRECTLY FOR THE ASSESSMENT LEVIED PURSUANT TO THE HEALTH  
8 INSURANCE CLAIMS ASSESSMENT ACT, 2011 PA 142, MCL 550.1731 TO  
9 550.1741.

10 Enacting section 1. Section 3(1), (3), and (4) of the publicly  
11 funded health insurance contribution act, 2011 PA 152, MCL 15.563,  
12 as amended or added by this amendatory act, clarifies the original  
13 intent of the legislature that the term "family coverage" includes  
14 individual-plus-1-nonspouse-dependent coverage; that a public  
15 employee or elected official who declines the public employer's  
16 medical benefit plan coverage is not an employee or elected public  
17 official for purposes of calculating the public employer's maximum  
18 total annual medical benefit plan costs; and that a public  
19 employer's medical benefit plan costs do not include payments to  
20 employees in lieu of medical benefit plan coverage or assessments  
21 levied pursuant to the health insurance claims assessment act, 2011  
22 PA 142, MCL 550.1731 to 550.1741. These amendments are curative and  
23 apply retroactively.