

# SENATE BILL No. 543

September 25, 2013, Introduced by Senators NOFS 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 4 (MCL 15.564).

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

1           Sec. 4. (1) By a majority vote of its governing body **EACH**  
2 **YEAR, PRIOR TO THE BEGINNING OF THE MEDICAL BENEFIT PLAN COVERAGE**  
3 **YEAR**, a public employer, excluding this state, may elect to comply  
4 with this section for a medical benefit plan coverage year instead  
5 of the requirements in section 3. The designated state official may  
6 elect to comply with this section instead of section 3 as to  
7 medical benefit plans for state employees and state officers.

8           (2) For medical benefit plan coverage years beginning on or

1 after January 1, 2012, a public employer shall pay not more than  
2 80% of the total annual costs of all of the medical benefit plans  
3 it offers or contributes to for its employees and elected public  
4 officials. For purposes of this subsection, total annual costs  
5 includes the premium or illustrative rate of the medical benefit  
6 plan and all employer payments for reimbursement of co-pays,  
7 deductibles, and payments into health savings accounts, flexible  
8 spending accounts, or similar accounts used for health care but  
9 does not include beneficiary-paid copayments, coinsurance,  
10 deductibles, other out-of-pocket expenses, other service-related  
11 fees that are assessed to the coverage beneficiary, or beneficiary  
12 payments into health savings accounts, flexible spending accounts,  
13 or similar accounts used for health care. Each elected public  
14 official who participates in a medical benefit plan offered by a  
15 public employer shall be required to pay 20% or more of the total  
16 annual costs of that plan. The public employer may allocate the  
17 employees' share of total annual costs of the medical benefit plans  
18 among the employees of the public employer as it sees fit.

19 **(3) FOR PURPOSES OF THIS SECTION, THE TOTAL ANNUAL COSTS OF**  
20 **ALL OF THE MEDICAL BENEFIT PLANS THE PUBLIC EMPLOYER OFFERS OR**  
21 **CONTRIBUTES TO FOR ITS EMPLOYEES AND ELECTED PUBLIC OFFICIALS DO**  
22 **NOT INCLUDE ANY OF THE FOLLOWING:**

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

25 **(B) ANY AMOUNT THAT THE PUBLIC EMPLOYER PAYS DIRECTLY OR**  
26 **INDIRECTLY FOR THE ASSESSMENT LEVIED PURSUANT TO THE HEALTH**  
27 **INSURANCE CLAIMS ASSESSMENT ACT, 2011 PA 142, MCL 550.1731 TO**

1 550.1741.

2 Enacting section 1. This amendatory act clarifies the original  
3 intent of the legislature that a public employer's medical benefit  
4 plan costs do not include payments to employees in lieu of medical  
5 benefit plan coverage or assessments levied pursuant to the health  
6 insurance claims assessment act, 2011 PA 142, MCL 550.1731 to  
7 550.1741. This amendatory act is curative and applies  
8 retroactively.