



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 642 (as reported without amendment)
Sponsor: Senator Goeff Hansen
Committee: Insurance

CONTENT

The bill would amend the Uniform Unclaimed Property Act to require the State Treasurer to transfer to the Senior Care Respite Fund certain funds that escheat to the State from uncashed benefit checks written by a nonprofit mutual disability insurer.

The Act governs procedures by which abandoned property escheats to the State. Generally, the Treasurer must transfer escheated funds into the General Fund.

The Act requires the Treasurer, however, to transfer to the Senior Respite Care Fund funds that escheat to the State under Section 403a of the Nonprofit Health Care Corporation Reform Act. (Under that section, any check or other written instrument for benefits that a nonprofit health care corporation, i.e., Blue Cross Blue Shield of Michigan, pays to a subscriber or provider that is abandoned escheats to the State. Generally, a check is presumed abandoned, and its funds escheat, three years after it was payable.)

The bill would require the Treasurer also to transfer to the Senior Respite Care Fund funds that escheat to the State under Section 5805 of the Insurance Code. (That section requires that benefits paid by a nonprofit mutual disability insurer that has merged with a nonprofit health care corporation to an insured or provider via check or other written instrument that is not cashed within the mandated period under the Uniform Unclaimed Property Act escheat to the State.)

(Money in the Senior Care Respite Fund, established in the Older Michigianians Act, is annually distributed to Area Agencies on Aging.)

MCL 567.244

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

The bill would maintain the current revenue source for the Senior Care Respite Fund. It would require the deposit of escheated payments from Blue Cross Blue Shield of Michigan under both its current structure and the revised structure, which will take effect January 1, 2014, pursuant to Public Acts 4 and 5 of 2013. The budget for the Department of Community Health includes \$1.8 million in FY 2013-14 appropriated from the Senior Care Respite Fund for senior respite care.

Date Completed: 11-6-13

Fiscal Analyst: Steve Angelotti
Elizabeth Pratt