



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4576 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Representative Hugh Crawford
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would add Chapter 12A to the Insurance Code to do the following:

- Require an individual to be certified in order to act as an insurance navigator or application counselor, or to receive funding from a health benefit exchange established under the Affordable Care Act (ACA).
- Authorize an insurance navigator or certified application counselor to provide public education and information regarding qualified health plans.
- Require a business entity acting as a navigator to be certified.
- Establish conditions for certification of an individual or business entity.
- Require the Director of the Department of Insurance and Financial Services (DIFS) to establish a certification and training program for prospective navigators and application counselors, if he or she determined that other such programs would not protect the privacy and security of Michigan residents' personal information.
- Prohibit a certificate holder from selling insurance or recommending a particular health plan.
- Allow the DIFS Director to place on probation, suspend, or revoke a navigator or application counselor certificate or levy a civil fine for violations.
- Allow the Director to revoke or refuse to issue a certificate if a person received a financial benefit from an insurer offering plans through an exchange.
- Authorize the Director to take action against a certificate.
- Require the Director to develop and implement a process for receiving, investigating, and referring to a Federal exchange citizen complaints regarding certificate holders.

The bill specifies that Chapter 12A would not authorize the establishment or operation of an American health benefit exchange pursuant to the ACA (the Federal Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act).

The bill would apply to policies, certificates, or contracts delivered, issued for delivery, or renewed in Michigan on or after the bill's effective date.

MCL 500.102 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of Insurance and Financial Services. The Department would be required to establish a certification and training program for health insurance exchange navigators, process applications, and develop and score certification exams. These requirements would result in new costs to DIFS. The Director could establish a fee structure for the certification of navigators; to the

extent that the fees were set at a level so as to generate sufficient revenue, new costs to DIFS would be offset by revenue from the fees.

Finally, the bill would create civil fines for those who either violated the provisions of the bill or violated a cease and desist order issued under the bill. It is unknown how much would be collected from the fines, as that would depend on the number of violations. Any civil fines collected under the bill would have to be credited to the State General Fund.

Date Completed: 12-12-14

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.