



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



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

House Bill 5569 (as passed by the House) *(enacted version)*
Sponsor: Representative Andrea LaFontaine
House Committee: Detroit's Recovery and Michigan's Future
Senate Committee: Government Operations

Date Completed: 6-2-14

CONTENT

The bill would amend the Publicly Funded Health Insurance Contribution Act to prevent the City of Detroit from exempting itself from the requirements of the Act.

The Act sets a ceiling on the amount that a public employer (such as a municipality or school district) may contribute to its medical benefit plan for employees or elected public officials. An employer either must comply with dollar amount limits (based on specified amounts times the number of employees who have various types of coverage, such as single-person or family coverage), or may choose to pay not more than 80% of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees and elected officials.

Section 8 of the Act allows a local unit of government to exempt itself from the Act's requirements, and extend an exemption, by a two-thirds vote of its governing body.

The bill specifies that an exemption under Section 8 would not be effective for a city with a population greater than 600,000 (i.e., Detroit).

MCL 15.568

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on the State.

The bill could have a fiscal impact on the City of Detroit depending on the costs of health care benefits under an exempted plan versus the costs of compliance with the provisions of the Act. Whether that fiscal impact would be positive or negative depends on provisions of the plan adopted. Generally, as in the case of the State, the result could be a cost saving as employees would be required to pay a larger portion of their health insurance costs. The amount of possible savings is indeterminate and would depend on overall health benefit costs.

Fiscal Analyst: Joe Carrasco

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