

Legislative Analysis



CONSUMER PRICE INDEX ADJUSTMENTS TO PUBLIC HEALTH CARE CONTRIBUTIONS

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Senate Bill 1199 as passed by the Senate

Sponsor: Sen. Jim Stamas

House Committee: Michigan Competitiveness

Senate Committee: Michigan Competitiveness

Complete to 12-12-18

SUMMARY:

Senate Bill 1199 would amend the Publicly Funded Health Insurance Contribution Act by revising the date by which inflationary increases in the maximum amounts a public employer may contribute for employee health care are calculated.

Currently under the Act, the maximum amount that public employers may pay into their employees' health care plans is annually adjusted for inflation using the medical care component of the Consumer Price Index (CPI Medical) provided by the U.S. Bureau of Labor Statistics for the most recent 12-month period. This applies to all public employers after the year 2011.

The bill would revise the date by which the Treasurer must make the inflationary adjustments for the succeeding calendar year from October 1 to April 1 beginning in 2019.

MCL 15.563

FISCAL IMPACT:

The bill would have no fiscal impact on state or local units of government, as it simply accelerates the date by which Treasury must calculate the hard caps on public employer health insurance

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