

Legislative Analysis



CONSUMER PRICE INDEX ADJUSTMENTS TO PUBLIC HEALTH CARE CONTRIBUTIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 1199 as reported from House committee
Sponsor: Sen. Jim Stamas
House Committee: Michigan Competitiveness
Senate Committee: Michigan Competitiveness
Complete to 12-18-18

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 477 of 2018)

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

HOUSE COMMITTEE ACTION:

The House Committee on Michigan Competitiveness reported the Senate-passed version of the bill without amendment.

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

POSITIONS:

The following entities indicated support for the bill (12-18-18):

- Department of Treasury
- Michigan Municipal League
- Michigan Townships Association
- Michigan Association of Counties

The following entities indicated opposition to the bill (12-18-18):

- Police Officers Association of Michigan
- Fraternal Order of Police
- Michigan Sheriffs' Association
- Michigan Professional Fire Fighters Union

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.