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BILL ANALYSIS



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Senate Bill 1199 (as introduced 11-8-18)

Sponsor: Senator Jim Stamas

Committee: Michigan Competitiveness

Date Completed: 12-4-18

CONTENT

The bill would amend the Publicly Funded Health Insurance Contribution Act to modify, from October 1 of each year to April 1 of each year, the date by which the State Treasurer must adjust the maximum payment permitted for public employers to contribute to a medical benefit plan for its employees for each coverage category.

Under the Act, except as otherwise provided, a public employer that offers or contributes to a medical benefit plan for its employees or elected public officials must pay no more of the annual costs or illustrative rate and any payments for reimbursement of co-pays, deductibles, or payments into health savings accounts, flexible spending accounts, or similar accounts used for health care costs, than a total amount equal to \$5,500 times the number of employees and elected public officials with single-person coverage, \$11,000 times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-one-nonspouse-dependent coverage, plus \$15,000 times the number of employees and elected public officials with family coverage, for a medical benefit plan coverage year beginning on or after January 1, 2012. A public employer may allocate its payments for medical benefit plan costs among its employees and elected public officials as it sees fit.

By October 1 of each year after 2011, the State Treasurer must adjust the maximum payment permitted under these provisions for each coverage category for medical benefit plan coverage years beginning the succeeding calendar year, based on the change in the medical care component of the United States Consumer Price Index for the most recent 12-month period for which data are available from the United States Department of Labor, Bureau of Labor Statistics. Under the bill, this provision would apply through 2018.

By April 1 of each year after 2018, the State Treasurer would have to adjust the maximum payment permitted under these provisions for each coverage category for medical benefit plan coverage years beginning the succeeding calendar year, based on the change in the medical care component of the United States Consumer Price Index for the most recent 12-month period for which data are available from the United States Department of Labor, Bureau of Labor Statistics.

MCL 15.563

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco

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