

**SUBSTITUTE FOR
SENATE BILL NO. 1129**

A bill to amend 2011 PA 152, entitled
"Publicly funded health insurance contribution act,"
by amending sections 4 and 5 (MCL 15.564 and 15.565), section 4 as
amended by 2013 PA 271 and section 5 as amended by 2013 PA 272, and
by adding section 4a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) By a majority vote of its governing body each
2 year, prior to the beginning of the medical benefit plan coverage
3 year, a public employer, excluding this state, may elect to comply
4 with this section for a medical benefit plan coverage year instead
5 of the requirements in section 3. The designated state official may
6 elect to comply with this section instead of section 3 as to
7 medical benefit plans for state employees and state officers.

1 (2) ~~For~~ **Subject to sections 3a and 4a, for** medical benefit
 2 plan coverage years beginning on or after January 1, 2012, a public
 3 employer shall pay not more than 80% of the total annual costs of
 4 all of the medical benefit plans it offers or contributes to for
 5 its employees and elected public officials. For purposes of this
 6 subsection **and section 4a,** total annual costs ~~includes~~ **include** the
 7 premium or illustrative rate of the medical benefit plan and all
 8 employer payments for reimbursement of co-pays, deductibles, and
 9 payments into health savings accounts, flexible spending accounts,
 10 or similar accounts used for health care but ~~does~~ **do** not include
 11 beneficiary-paid copayments, coinsurance, deductibles, other out-
 12 of-pocket expenses, other service-related fees that are assessed to
 13 the coverage beneficiary, or beneficiary payments into health
 14 savings accounts, flexible spending accounts, or similar accounts
 15 used for health care, **any offers of medical benefit plans for**
 16 **employees based on the patient protection and affordable care act,**
 17 **Public Law 111-148, as amended by the health care and education**
 18 **reconciliation act of 2010, Public Law 111-152, other federal or**
 19 **state sponsored plan, or any federal or state taxes.** For purposes
 20 of this section, each elected public official who participates in a
 21 medical benefit plan offered by a public employer ~~shall be~~ **is**
 22 required to pay 20% or more of the total annual costs of that plan.
 23 The public employer may allocate the employees' share of total
 24 annual costs of the medical benefit plans among the employees of
 25 the public employer as it sees fit.

26 **Sec. 4a. (1) Beginning January 1, 2025, a public employer**
 27 **shall pay not less than 80% of the total annual costs of all of the**
 28 **medical benefit plans it offers or contributes to for its employees**
 29 **and elected public officials.**

1 (2) If a collective bargaining agreement or other contract
2 that is inconsistent with this section is in effect for 1 or more
3 employees of a public employer on the effective date of the
4 amendatory act that added this section, the requirements of this
5 section do not apply to an employee covered by that contract until
6 the stated expiration date of the contract or the date the contract
7 is extended or renewed. A public employer's expenditures for
8 medical benefit plans under a collective bargaining agreement or
9 other contract described in this subsection must be excluded from
10 calculation of the public employer's payment under this section.

11 Sec. 5. (1) ~~If~~**Except as otherwise provided in subsection (3),**
12 a collective bargaining agreement or other contract that is
13 inconsistent with sections 3 and 4 is in effect for 1 or more
14 employees of a public employer on September 27, 2011, the
15 requirements of section 3 or 4 do not apply to an employee covered
16 by that contract until the contract expires. A public employer's
17 expenditures for medical benefit plans under a collective
18 bargaining agreement or other contract described in this subsection
19 ~~shall~~**must** be excluded from calculation of the public employer's
20 maximum payment under section 4. The requirements of sections 3 and
21 4 apply to any extension or renewal of the contract.

22 (2) ~~A~~**Except as otherwise provided in sections 3a(3) and**
23 **4a(2),** a collective bargaining agreement or other contract that is
24 executed on or after September 27, 2011 ~~shall~~**must** not include
25 terms that are inconsistent with the requirements of sections 3 and
26 4.

27 (3) **A collective bargaining agreement or other contract that**
28 **is executed on or after January 1, 2025 must not include terms that**
29 **are inconsistent with the requirements of section 4a.**

1 Enacting section 1. This amendatory act does not take effect
2 unless Senate Bill No. 1130 of the 102nd Legislature is enacted
3 into law.