

# SENATE BILL NO. 1130

November 14, 2024, Introduced by Senator HERTEL and referred to the Committee on Labor.

A bill to amend 2011 PA 152, entitled  
"Publicly funded health insurance contribution act,"  
by amending section 3 (MCL 15.563), as amended by 2018 PA 477.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) Except as otherwise provided in this act, a public  
2 employer that offers or contributes to a medical benefit plan for  
3 its employees or elected public officials shall pay no more of the  
4 annual costs or illustrative rate and any payments for  
5 reimbursement of co-pays, deductibles, or payments into health

1 savings accounts, flexible spending accounts, or similar accounts  
2 used for health care costs, than a total amount equal to \$5,500.00  
3 times the number of employees and elected public officials with  
4 single-person coverage, \$11,000.00 times the number of employees  
5 and elected public officials with individual-and-spouse coverage or  
6 individual-plus-1-nonspouse-dependent coverage, plus \$15,000.00  
7 times the number of employees and elected public officials with  
8 family coverage, for a medical benefit plan coverage year beginning  
9 on or after January 1, 2012. A public employer may allocate its  
10 payments for medical benefit plan costs among its employees and  
11 elected public officials as it sees fit. By October 1 of each year  
12 after 2011 and before 2019, the state treasurer shall adjust the  
13 maximum payment permitted under this subsection for each coverage  
14 category for medical benefit plan coverage years beginning the  
15 succeeding calendar year, based on the change in the medical care  
16 component of the United States Consumer Price Index for the most  
17 recent 12-month period for which data are available from the United  
18 States Department of Labor, Bureau of Labor Statistics. By April 1  
19 of each year after 2018, the state treasurer shall adjust the  
20 maximum payment permitted under this subsection for each coverage  
21 category for medical benefit plan coverage years beginning the  
22 succeeding calendar year, based on the change in the medical care  
23 component of the United States Consumer Price Index for the most  
24 recent 12-month period for which data are available from the United  
25 States Department of Labor, Bureau of Labor Statistics.

26 **(2) Except as otherwise provided in this act, a public**  
27 **employer that offers or contributes to a medical benefit plan for**  
28 **its employees or elected public officials shall pay no more of the**  
29 **annual costs or illustrative rate and any payments for**

1 reimbursement of co-pays, deductibles, or payments into health  
2 savings accounts, flexible spending accounts, or similar accounts  
3 used for health care costs, than a total amount equal to any of the  
4 following for a medical benefit plan coverage year beginning  
5 January 1, 2025, to December 31, 2025, \$8,258.54 times the number  
6 of employees and elected public officials with single-person  
7 coverage, \$17,271.17 times the number of employees and elected  
8 public officials with individual-and-spouse coverage or individual-  
9 plus-1-nonspouse-dependent coverage, plus \$22,523.34 times the  
10 number of employees and elected public officials with family  
11 coverage.

12 (3) A public employer may allocate its payments for medical  
13 benefit plan costs among its employees and elected public officials  
14 as it sees fit. By April 1 of each year after 2024, the state  
15 treasurer shall adjust the maximum payment permitted under this  
16 section for single-person coverage and family coverage for medical  
17 benefit plan coverage years beginning the succeeding calendar year,  
18 based on the change in the medical care component of the United  
19 States Consumer Price Index for the most recent 12-month period for  
20 which data are available from the United States Department of  
21 Labor, Bureau of Labor Statistics, or by 3%, whichever is greater.  
22 The adjustment for individual-and-spouse coverage or individual-  
23 plus-1-nonspouse-dependent coverage is as follows for the following  
24 medical benefit plan coverage year:

25 (a) January 1, 2026, to December 31, 2026, 2.2 times the  
26 amount of single-person coverage.

27 (b) January 1, 2027, to December 31, 2027, 2.3 times the  
28 amount of single-person coverage.

29 (c) On and after January 1, 2028, 2.4 times the amount of

1 single-person coverage.

2 (4) A public employer shall pay not more than the maximum  
3 amounts provided for under subsections (2) and (3) as follows:

4 (a) For the medical benefit coverage year beginning January 1,  
5 2025, to December 31, 2025, 101%.

6 (b) For the medical benefit coverage year beginning January 1,  
7 2026, to December 31, 2026, 102%.

8 (c) For the medical benefit coverage year beginning January 1,  
9 2027, to December 31, 2027, 103%.

10 (d) For the medical benefit coverage year beginning January 1,  
11 2028, to December 31, 2028, 104%.

12 (e) For the medical benefit coverage year beginning on and  
13 after January 1, 2029, 105%.

14 (5) The maximum amounts set under this section must be  
15 concurred upon by each bargaining unit, and a public employer may  
16 have a different maximum amount set with each bargaining unit. A  
17 public employer shall set the maximum amount for employees who are  
18 not members of collective bargaining units.

19 (6) ~~(2)~~—For a medical benefit plan coverage year beginning  
20 January 1, 2014 through December 31, 2014, the multiplier used to  
21 calculate the maximum public employer payment under subsection (1)  
22 is \$12,250.00 for employees and elected public officials with  
23 individual-and-spouse coverage or individual-plus-1-nonspouse-  
24 dependent coverage. The state treasurer shall adjust the multiplier  
25 each year as provided in subsection (1).

26 (7) ~~(3)~~—For purposes of calculating a public employer's  
27 maximum total annual medical benefit plan costs under ~~subsection~~  
28 ~~(1)~~, **this section**, "employee or elected public official" does not  
29 include an employee or elected public official who declines the

1 medical benefit plan offered or contributed to by the public  
2 employer.