

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 542

(As amended December 10, 2013)

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

**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  
6 savings accounts, flexible spending accounts, or similar accounts  
7 used for health care costs, than a total amount equal to \$5,500.00  
8 times the number of employees **AND ELECTED PUBLIC OFFICIALS** with  
9 single-person coverage, \$11,000.00 times the number of employees  
10 **AND ELECTED PUBLIC OFFICIALS** with individual-and-spouse coverage [**OR**  
**INDIVIDUAL-PLUS-1-NON SPOUSE-DEPENDENT COVERAGE**],

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1 plus \$15,000.00 times the number of employees **AND ELECTED PUBLIC**  
 2 **OFFICIALS** with family coverage [7  
 3 ], for a medical benefit plan coverage  
 4 year beginning on or after January 1, 2012. A public employer may  
 5 allocate its payments for medical benefit plan costs among its  
 6 employees and elected public officials as it sees fit. By October 1  
 7 of each year after 2011, the state treasurer shall adjust the  
 8 maximum payment permitted under this ~~section~~ **SUBSECTION** for each  
 9 coverage category for medical benefit plan coverage years beginning  
 10 the succeeding calendar year, based on the change in the medical  
 11 care component of the United States consumer price index for the  
 12 most recent 12-month period for which data are available from the  
 13 United States department of labor, bureau of labor statistics.

14 (2) **FOR A MEDICAL BENEFIT PLAN COVERAGE YEAR BEGINNING JANUARY**  
 15 **1, 2014 THROUGH DECEMBER 31, 2014, THE MULTIPLIER USED TO CALCULATE**  
 16 **THE MAXIMUM PUBLIC EMPLOYER PAYMENT UNDER SUBSECTION (1) SHALL BE**  
 17 **\$12,250.00 FOR EMPLOYEES AND ELECTED PUBLIC OFFICIALS WITH**  
 18 **INDIVIDUAL-AND-SPOUSE COVERAGE [OR INDIVIDUAL-PLUS-1-NON-SPOUSE-DEPENDENT**  
 19 **COVERAGE] AND SHALL BE ADJUSTED EACH YEAR AS**  
 20 **PROVIDED IN SUBSECTION (1).**

21 (3) **FOR PURPOSES OF CALCULATING A PUBLIC EMPLOYER'S MAXIMUM**  
 22 **TOTAL ANNUAL MEDICAL BENEFIT PLAN COSTS UNDER SUBSECTION (1),**  
 23 **"EMPLOYEE OR ELECTED PUBLIC OFFICIAL" DOES NOT INCLUDE AN EMPLOYEE**  
 24 **OR ELECTED PUBLIC OFFICIAL WHO DECLINES THE MEDICAL BENEFIT PLAN**  
 25 **OFFERED OR CONTRIBUTED TO BY THE PUBLIC EMPLOYER.**

26 Enacting section 1. Section 3(1) and (3) of the publicly  
 27 funded health insurance contribution act, 2011 PA 152, MCL 15.563,  
 as amended or added by this amendatory act, clarifies the original

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1 intent of the legislature that [~~the term "family coverage" includes~~  
2 ~~individual plus 1 nonspouse dependent coverage and that~~] a public  
3 employee or elected official who declines the public employer's  
4 medical benefit plan coverage is not an employee or elected public  
5 official for purposes of calculating the public employer's maximum  
6 total annual medical benefit plan costs. These amendments are  
7 curative and apply retroactively.