

HOUSE BILL No. 4572

April 21, 2011, Introduced by Reps. Johnson, Heise, McMillin, Foster, Farrington, Lund, Crawford, Kowall, Jenkins, Rogers, Muxlow, Damrow, MacMaster, Price, Knollenberg, Cotter, Outman and MacGregor and referred to the Committee on Oversight, Reform, and Ethics.

A bill to limit a public employer's expenditures for health insurance benefits; and to provide for exceptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "public employer health insurance cap act".

3 Sec. 3. As used in this act:

4 (a) "Health insurance" means employee medical, dental, or
5 optical benefits.

6 (b) "Public employer" means this state; a county, township,
7 village, city, school district, or other political subdivision of
8 this state; an authority; a public institution of higher education;
9 or any other entity jointly created by 2 or more public employers.

10 Sec. 5. Except as provided in section 7, a public employer
11 that offers health insurance to its employees through an insurance

1 carrier or through self-insurance shall pay no more of the annual
2 premium or illustrative annual premium cost than \$5,000.00 for
3 single-person coverage, \$10,000.00 for 2-person coverage, or
4 \$13,000.00 for family coverage. The state treasurer shall adjust
5 the maximum payment permitted under this section by an amount
6 determined by the state treasurer at the end of each calendar year
7 to reflect the cumulative annual percentage change in the consumer
8 price index. As used in this section, "consumer price index" means
9 the most comprehensive index of consumer prices available for this
10 state from the bureau of labor statistics of the United States
11 department of labor.

12 Sec. 7. If a collective bargaining agreement that is
13 inconsistent with section 5 is in effect for a group of employees
14 of a public employer on the effective date of this act, the
15 requirements of section 5 do not apply to that group of employees
16 until the collective bargaining agreement expires. The requirements
17 of section 5 apply to any extension or renewal of the agreement.

18 Sec. 9. The requirements of section 5 apply to all public
19 employees to the greatest extent consistent with constitutionally
20 allocated powers.

21 Enacting section 1. This act takes effect January 1, 2013.