

**SUBSTITUTE FOR  
HOUSE BILL NO. 4111**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

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

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2013, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	30,670,000
Interdepartmental grant revenues:		

1	Total interdepartmental grants and intradepartmental		
2	transfers .....		0
3	ADJUSTED GROSS APPROPRIATION.....	\$	30,670,000
4	Federal revenues:		
5	Total federal revenues.....		30,670,000
6	Special revenue funds:		
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total other state restricted revenues.....		0
10	State general fund/general purpose.....	\$	0

11     **Sec. 102. DEPARTMENT OF LICENSING AND REGULATORY**

12     **AFFAIRS**

13     **(1) APPROPRIATION SUMMARY**

14	GROSS APPROPRIATION.....	\$	30,670,000
15	Interdepartmental grant revenues:		
16	Total interdepartmental grants and intradepartmental		
17	transfers .....		0
18	ADJUSTED GROSS APPROPRIATION.....		30,670,000
19	Federal revenues:		
20	Total federal revenues.....		30,670,000
21	Special revenue funds:		
22	Total local revenues.....		0
23	Total private revenues.....		0
24	Total other state restricted revenues.....		0
25	State general fund/general purpose.....	\$	0

26     **(2) DEPARTMENTAL ADMINISTRATION**

1	Cooperative agreement for partnership exchange .....	\$	<u>30,670,000</u>
2	GROSS APPROPRIATION.....	\$	30,670,000
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues.....		30,670,000
6	State general fund/general purpose.....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

10           Sec. 201. In accordance with the provisions of section 30 of  
11 article IX of the state constitution of 1963, total state spending  
12 from state resources in this appropriation act for the fiscal year  
13 ending September 30, 2013 is \$0 and state appropriations paid to  
14 local units of government are \$0.

15           Sec. 202. The appropriations made and expenditures authorized  
16 under this act and the departments, commissions, boards, offices,  
17 and programs for which appropriations are made under this act are  
18 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
19 to 18.1594.

**LICENSING AND REGULATORY AFFAIRS**

21           Sec. 301. Any unexpended amounts appropriated for the  
22 cooperative agreement for partnership exchange are considered work  
23 project appropriations and are available for expenditure in the  
24 succeeding fiscal year. The following is in compliance with section

1 451a(1) of the management and budget act, 1984 PA 431, MCL  
2 18.1451a:

3 (a) The purpose of the project to be carried forward is to  
4 implement the cooperative agreement for partnership exchange.

5 (b) The project will be accomplished by state employees,  
6 contracts, memoranda of understanding, and other such agreements as  
7 established by the department of licensing and regulatory affairs.

8 (c) The total estimated cost of the project is \$30,670,000.00.

9 (d) The tentative completion date is September 30, 2017.

10 Sec. 302. An insurer or health maintenance organization that  
11 is authorized to offer and sell insurance or health maintenance  
12 contracts in this state shall not be required to offer and sell its  
13 products only through an exchange for the purposes described in the  
14 patient protection and affordable care act, Public Law 111-148, as  
15 amended by the health care and education reconciliation act of  
16 2010, Public Law 111-152.

17 Sec. 303. No later than September 1, 2013, the department of  
18 licensing and regulatory affairs shall provide a detailed spending  
19 report to the house and senate that identifies and explains all  
20 expenditures from the funds appropriated in part 1 for the  
21 cooperative agreement for partnership exchange.

22 Sec. 304. (1) The department of licensing and regulatory  
23 affairs shall conduct the consumer assistance function in a manner  
24 that utilizes and highlights Michigan-based resources, including  
25 insurance producers, in order to serve the best interest of  
26 Michigan residents to ensure appropriate health care decisions.

27 (2) The department shall ensure that navigators facilitate

1 enrollment in qualified health plans. As used in this subsection,  
2 "facilitate enrollment" means to perform an act that is only  
3 indirectly related to the sale, solicitation, or negotiation of a  
4 health benefit plan and is to inform an individual of his or her  
5 eligibility for public assistance or to inform an individual that  
6 he or she can purchase a health benefit plan through a producer,  
7 the federal healthcare exchange, a carrier offering a qualified  
8 health plan, or other source in compliance with federal and state  
9 law.

10       Sec. 305. The department of licensing and regulatory affairs  
11 shall ensure that licensed Michigan insurance producers can offer  
12 products offered on the exchange, subject to an official  
13 appointment from a carrier to sell on its behalf.

14       Sec. 306. (1) The department of licensing and regulatory  
15 affairs shall ensure that any federally chosen navigators operating  
16 within Michigan carry insurance or have other safeguards in place  
17 to ensure that there is parity for liabilities resulting from  
18 errors and omissions between navigators and what is standard and  
19 customary for a Michigan licensed health insurance producer. The  
20 department of licensing and regulatory affairs shall also work with  
21 the federal government to keep a registry of authorized navigators  
22 operating in Michigan.

23       (2) The department of licensing and regulatory affairs shall  
24 also ensure that all parties performing the consumer assistance  
25 function are properly trained, that there is a proper state  
26 oversight over the parties involved, and there are mechanisms in  
27 place to ensure accountability for the actions of both navigators

House Bill No. 4111 (H-1) as amended February 27, 2013

1 and in-person assistors.

2           Sec. 307. The department of licensing and regulatory affairs  
3 shall seek federal financing to upgrade or develop information  
4 technology systems and infrastructure required for effective  
5 connection to the exchange, and to increase consumer protection and  
6 assistance related to the exchange.

7           Sec. 308. The department of licensing and regulatory affairs  
8 shall create, or leverage existing capacity for, a consumer  
9 complaint process for residents that seek to report practices by  
10 navigators and shall refer valid complaints to the appropriate  
11 state and federal authorities.

[Sec. 309. All navigators and in-person assistors shall undergo criminal and regulatory background screening before being allowed to operate in this state.]

Sec. 310. The department of licensing and regulatory affairs shall work to ensure that the privacy of individual citizens is protected in all aspects of the partnership exchange.]