

HOUSE BILL NO. 6058

November 12, 2024, Introduced by Reps. Xiong, Tsernoglou, Wilson, Mentzer, Coffia, Paiz, Wegela, Grant, Weiss and Scott and referred to the Committee on Labor.

A bill to amend 2011 PA 152, entitled
"Publicly funded health insurance contribution act,"
by amending sections 3 and 4 (MCL 15.563 and 15.564), section 3 as
amended by 2018 PA 477 and section 4 as amended by 2013 PA 271.

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

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

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

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

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

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

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

1 (c) On and after January 1, 2028, 2.4 times the amount of
2 single-person coverage.

3 (4) A public employer may bargain an amount over the maximum
4 amounts provided for under subsections (2) and (3) as follows:

5 (a) For the medical benefit coverage year beginning January 1,
6 2025, to December 31, 2025, 101%.

7 (b) For the medical benefit coverage year beginning January 1,
8 2026, to December 31, 2026, 102%.

9 (c) For the medical benefit coverage year beginning January 1,
10 2027, to December 31, 2027, 103%.

11 (d) For the medical benefit coverage year beginning January 1,
12 2028, to December 31, 2028, 104%.

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

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

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

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

1 include an employee or elected public official who declines the
2 medical benefit plan offered or contributed to by the public
3 employer.

4 **(6) Subsections (3) and (4) do not apply to any collective**
5 **bargaining agreements that expire after the effective date of the**
6 **amendatory act that added this subsection.**

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

14 (2) For medical benefit plan coverage years beginning on or
15 after January 1, 2012 **to December 31, 2024**, a public employer shall
16 pay not more than 80% of the total annual costs of all of the
17 medical benefit plans it offers or contributes to for its employees
18 and elected public officials. **For medical benefit plan coverage**
19 **years beginning on or after January 1, 2025, a public employer**
20 **shall pay not less than 80% of the total annual costs of all of the**
21 **medical benefit plans it offers or contributes to for its employees**
22 **and elected public officials.** For purposes of this subsection,
23 total annual costs ~~includes~~**include** the premium or illustrative
24 rate of the medical benefit plan and all employer payments for
25 reimbursement of co-pays, deductibles, and payments into health
26 savings accounts, flexible spending accounts, or similar accounts
27 used for health care but ~~does~~**do** not include beneficiary-paid
28 copayments, coinsurance, deductibles, other out-of-pocket expenses,
29 other service-related fees that are assessed to the coverage

1 beneficiary, or beneficiary payments into health savings accounts,
2 flexible spending accounts, or similar accounts used for health
3 care. For purposes of this section, each elected public official
4 who participates in a medical benefit plan offered by a public
5 employer ~~shall be~~**is** required to pay 20% or more of the total
6 annual costs of that plan. The public employer may allocate the
7 employees' share of total annual costs of the medical benefit plans
8 among the employees of the public employer as it sees fit.