

**INSURANCE PROVIDER ASSESSMENT ACT (EXCERPT)**  
**Act 175 of 2018**

**550.1757 Assessment; levy; rates; payment method.**

Sec. 7.

(1) Beginning on the first day of the calendar quarter in which the director of the department of health and human services notifies the secretary of state and the department in writing that the federal Centers for Medicare and Medicaid Services has approved its request for a waiver of the broad-based and uniformity provisions of section 1903(w)(3)(B) and (C) of title XIX of the social security act, 42 USC 1396b, for implementation of this act or October 1, 2018, whichever is later, there is levied and imposed an annual assessment on the number of member months for each insurance provider reported on its annual financial statement filed with the department of insurance and financial services or the department of health and human services, whichever is applicable, for the previous calendar year at the following rates in the following circumstances:

(a) For tier 1, a Medicaid contracted health plan's member months supported with federal funds authorized under subchapter XIX of the social security act, 42 USC 1396 to 1396w-5, as follows:

(i) For the number of member months and the dollar amount necessary per member month, as determined each year by the department of health and human services, to achieve a result of between 1.00 and 1.02 on the statistical test imposed by the federal Centers for Medicare and Medicaid Services according to 42 CFR 433.68(e).

(ii) For each remaining member month not assessed under subparagraph (i), \$1.20 per member month.

(b) For tier 2, a health insurer's member months not supported with federal funds authorized under subchapter XIX of the social security act, 42 USC 1396 to 1396w-5, \$2.40 per member month.

(c) For tier 3, a specialty prepaid health plan's member months supported with federal funds authorized under subchapter XIX of the social security act, 42 USC 1396 to 1396w-5, \$1.20 per member month.

(2) Beginning May 15 and by each May 15 thereafter, the department of insurance and financial services and the department of health and human services shall make available to the department the number of member months for each insurance provider and the necessary assessment information for the department to calculate the assessment due under this act, including the number of member months and the rate to be imposed in accordance with subsection (1)(a)(i) to satisfy the statistical test.

(3) For the initial year of implementation only, the department shall notify each insurance provider after June 15, 2018 but before October 15, 2018, of the number of member months and the rate imposed on these member months in accordance with subsection (1)(a)(i) and of its assessment, prorated for 2 quarters, due based on the insurance provider's member months for the previous calendar year. The initial assessment is payable in 2 equal installments. Each insurance provider shall submit the payments to the department by January 30, 2019 and April 30, 2019.

(4) The department shall notify each insurance provider after June 1, but before June 15 each year after implementation, of the number of member months and the rate imposed on these member months under subsection (1)(a)(i) and of its annual assessment due under this act based on the insurance provider's member months for the previous calendar year. The assessment is payable on a quarterly basis and each insurance provider shall submit quarterly payments on July 30, October 30, January 30, and April 30 to the department for the amount of the assessment imposed under this act with respect to the number of member months reported on its financial statements for the previous calendar year.

(5) If a due date falls on a Saturday, Sunday, state holiday, or legal banking holiday, the payments are due on the next succeeding business day.

(6) The department may require that payment of the assessment be made by an electronic funds transfer method approved by the department.

**History:** 2018, Act 175, Imd. Eff. June 11, 2018