

MAHU Legislative Report

April 2017

April marks the start of the real work on the State budget for Fiscal Year 2018 that begins October 1st. Much of the policy work slows down for a few weeks while appropriations subcommittee chairs hold hearings and eventually pass budgets related to individual state departments. Those individual budget bills are then combined into two large omnibus bills, one pertaining to K-12 school funding (School Bus) and the other for all other state spending (General Omnibus). Procedurally, those individual budget bills will be voted down by each respective chamber, requiring a conference committee where subcommittee chairs from each chamber will negotiate a final number for their budget. However, that final number for the state budget will not be agreed upon until after the May meeting of the Consensus Revenue Estimating Conference (CREC). The CREC will determine projected state tax revenues and liabilities, along with such estimates as Medicaid caseload, on which to base the final FY2018 budget bill.

CE Bill Passes House

On Wednesday, April 26th the Michigan House of Representatives passed HB 4325 106-2-1. Reps. John Bizon (R-Battle Creek) and Rose Mary Robinson (D-Detroit) voted “no” with Rep. Robert Wittenberg (D-Oak Park) abstaining, excusing himself from the vote on the premise that he is a licensed insurance agent and it may be construed as a conflict of interest. The bill now advances to the Senate, where it was referred to the Committee on Insurance. The Chairman, Senator Joe Hune, has been vocally supportive and stated he will take the bill up for a hearing when appropriate. I will continue to work to ensure that the Senate passes HB 4325 by the time the legislature breaks for summer recess.

MAHU Takes Lead on State Prohibition on Advanced Marketing and Rate Release

Last month, Blue Cross Blue Shield and the Michigan Association of Health Plans penned a joint letter to the Department of Insurance and Financial Services opposing the Oct. 1 date for releasing marketing materials and rates for the individual and small group markets. The issue remains rather low on DIFS’ agenda and speaking with the Health Plans, I agreed that MAHU should have a larger voice in the issue. I am drafting a letter that will be shared with the other agent groups in Michigan to cosign, (MAIA and MI NAIFA) and if approved will also be co-signed by BCBS and MAHP. Additionally, it will likely be shopped around to the business groups for inclusion as well, MI Chamber, Small Business Association of Michigan, National Federation of Independent Businesses, who represent some of the largest purchasers in the small group market. The idea being if carriers, underwriters/agents, and purchasers can agree on an earlier date it provides a more convincing argument to the Department to modify their rule. Stay tuned on this issue as it moves forward.