

**SUBSTITUTE FOR
HOUSE BILL NO. 5671**

A bill to require public employers to make information concerning health benefits offered to public employees available to the public; to specify the information required in the report; and to provide for duties and responsibilities of public employers and certain state agencies and officers.

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 benefit reporting act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of management and
5 budget.

6 (b) "Public employee" means an employee, officer, or elected
7 official of a public employer. Public employee includes an employee
8 retired from employment with a public employer.



1 (c) "Public employer" means this state; a city, village,
2 township, county, or other political subdivision of this state; any
3 intergovernmental, metropolitan, or local department, agency, or
4 authority, or other local political subdivision; a school district,
5 a public school academy, or an intermediate school district, as
6 those terms are defined in the revised school code, 1976 PA 451,
7 MCL 380.1 to 380.1852; a community college or junior college
8 described in section 7 of article VIII of the state constitution of
9 1963; an institution of higher education described in section 4, 5,
10 or 6 of article VIII of the state constitution of 1963; or a board
11 or other administrator of a public employee or officer retirement
12 system.

13 Sec. 3. (1) A public employer shall file a report with the
14 department of management and budget by 45 days after the effective
15 date of this act. The report shall be filed in a uniform format
16 determined by the department and shall include all of the following
17 information regarding health benefits the public employer provides
18 to its public employees, separately for each plan type and each
19 coverage level:

20 (a) Basic plan information including the following:

21 (i) Plan name.

22 (ii) Name of insurance provider or third-party administrator.

23 (iii) Plan type, such as traditional, health maintenance
24 organization, preferred provider organization, health savings
25 account, or other similar type.

26 (iv) Whether self-insured or fully insured.

27 (v) Type of coverage, such as medical, dental, vision,



1 prescription drug, life, disability, or other similar type.

2 (b) General information on all of the following that apply:

3 (i) Lifetime maximum coverage per beneficiary.

4 (ii) In-network benefit year deductible.

5 (iii) Out-of-network benefit year deductible.

6 (iv) Coinsurance maximum payment.

7 (v) Employee or participant yearly maximum out-of-pocket
8 costs.

9 (vi) Details on cost share information, such as whether
10 deductibles, coinsurance, and copays apply to all benefits
11 including prescription drugs and other carve-out programs.

12 (vii) Health savings account details, such as employer cash
13 contributions or contributions to deductibles.

14 (viii) Description of medicare coordination features.

15 (c) Additional information for hospital, medical, and surgical
16 plans, including the following:

17 (i) Types of services covered.

18 (ii) Wellness and prevention benefit description.

19 (d) Additional information for prescription drug benefits,
20 including the following:

21 (i) Whether prescription drug benefits are included in the
22 medical plan or are separate.

23 (ii) Details on the prescription drug formulary.

24 (iii) The deductibles, copays, or coinsurance reported by drug
25 type, such as generic, preferred or formulary brand, nonpreferred,
26 specialty, or other similar type.

27 (e) Additional carve-out program information, including the



1 following:

2 (i) Type of services, such as mental health, laboratory and
3 imaging, foot care, or other similar type.

4 (ii) Cost share information, such as deductibles, copays, or
5 coinsurance that is not reported as part of another plan.

6 (f) Additional wellness and prevention program information,
7 including the following:

8 (i) Types of program offerings.

9 (ii) Cost share information, such as deductibles, copays, or
10 coinsurance that are not reported as part of another plan.

11 (g) Information regarding other programs not previously
12 included, including the following:

13 (i) Types of program offerings.

14 (ii) Cost share information, such as deductibles, copays, or
15 coinsurance that is not reported as part of another plan.

16 (2) The report required under subsection (1) shall also
17 include enrollment data for each type of plan offered, for all of
18 the following:

19 (a) Number of employees enrolled, reported separately for
20 individual, 2-party, employee and children, or full family
21 coverage.

22 (b) Number of individuals covered, reported separately for
23 individual, 2-party, employee and children, or full family
24 coverage.

25 (c) Number of eligible employees who opt out of coverage.

26 (d) Number of employees who are not eligible for coverage.

27 (3) The report required under subsection (1) shall also



1 include annual premium cost information for each plan offered,
2 broken down as to individual, 2-party, employee and children, or
3 full family coverage, for all of the following:

- 4 (a) Total dollar cost per employee.
- 5 (b) Dollar cost paid by employer per employee.
- 6 (c) Dollar cost paid by employee.
- 7 (d) Percent paid by employee.

8 (4) The report required under subsection (1) shall also
9 include the annual amount an employee may receive to opt out of
10 coverage for each plan offered.

11 (5) The report required under subsection (1) shall also
12 include the public employer's total yearly costs for each plan or
13 program offered for each of the following:

- 14 (a) Public employee health care benefits.
- 15 (b) Hospital, medical, and surgical benefits.
- 16 (c) Carve-out programs.
- 17 (d) Administrative costs and fees paid under each of the
18 following categories:

19 (i) To hospital, medical, and surgical insurers or third-party
20 administrators, excluding drug and carve-out fees that are paid
21 separately.

22 (ii) In connection with prescription drugs.

23 (iii) As access fees.

24 (iv) As stop-loss fees.

25 (v) As broker fees.

26 (vi) To consultants.

27 (vii) To insurance agents.



1 (viii) As internal administration costs.

2 (ix) To any other outside administrators, including information
3 identifying the administrator and the service provided.

4 (x) For other administrative costs not included in
5 subparagraphs (i) to (ix), including a description of the service.

6 (6) The report required under subsection (1) shall also
7 include the monthly administrative costs and fees that are paid on
8 a per contract per month basis, such as administrative services
9 only (ASO), administrative services contract (ASC), access fees,
10 and stop loss, that are paid to the following:

11 (a) An insurer or third-party administrator.

12 (b) For prescription drugs.

13 (c) For each carve-out program.

14 (d) For any other program, including information identifying
15 the program and the administrative services.

16 (7) The report required under subsection (1) shall also
17 include any additional information that the department determines
18 is necessary or helpful to evaluate the extent of any cost
19 efficiencies that might be achieved by establishing uniform public
20 employee health benefit plans.

21 Sec. 4. (1) The department shall compile and maintain the
22 information it receives from the reports submitted under section 3
23 in a comprehensive, searchable database. The database shall be
24 organized in a format that facilitates data analysis.

25 (2) A public employer that maintains a website accessible to
26 the public shall post the information in the report required under
27 section 3 on that website.



1 (3) A public employer and the department shall limit public
2 access to information that is collected or posted under this act as
3 necessary to protect the privacy of any personal health information
4 that might be identified to an individual.

5 Sec. 5. Within 45 days after receiving the reports required
6 under section 3 from public employers, the department shall submit
7 a report to the secretary of the senate and the clerk of the house
8 of representatives.

