



Michigan
Nurses
Association

An Affiliate of National Nurses United

SB 7: A Bill to Limit a Public Employer's Portion of Health Insurance Benefits and to Provide for Exceptions

This bill was introduced on January 19, 2011, and is sponsored by Senator Mark Jansen – R. It was referred to the Committee on Reforms, Restructuring and Reinventing and was voted out on April 14, 2011. **It passed the Senate on May 18, 2011, and is now in the House of Representatives to be voted on.**

This act would be referred to as the “Publicly Funded Health Insurance Contribution Act.” As you can see, it is already 1/3 of the way through the legislative process.

For the purposes of this bill, the following applies:

1. Costs and total costs of a medical benefit plan do NOT include copayments,



If passed, SB 7 would require public employees to pay 20 percent of the cost of their health care coverage. Public employers would benefit by being allowed to pay only 80 percent of the cost of their employees' health care premiums.

coinsurance, deductibles, out-of-pocket expenses, or other service-related fees assessed to you (public employees).

2. Local units of government are cities, counties, townships, and villages.
3. Medical benefits plans are those established and maintained by a carrier or one or more public employers to provide for the payment of medical, optical, or dental benefits for public employees.
4. Public employers are the state, cities, villages, townships, counties, political subdivisions of the state; any intergovernmental, metropolitan, or local department, agency, or authority; other local political subdivisions, school districts, public school academies, intermediate school districts, community colleges, and institutions of higher education.
5. **The essence of this legislation is that public employers would only have to pay 80 percent of the total cost of health care premiums for their employees, while the public employees would have to take on the remaining 20 percent to cover the cost of coverage. Senator Jansen would like to see this implemented on January 1, 2013.**
6. A public employer can pay up to 90 percent of the total cost of the health care premiums IF the public employee is covered by a

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medical benefit plan that includes a health savings account in combination with a high deductible health plan that complies with federal statute and regulations.

7. A public employer may contribute to an employee's health savings account as permitted in section 223 of the internal revenue code of 1986, but this contribution would NOT be included in the public employer's maximum allowable payment for the cost of medical benefit plans.
8. A public employer may deduct the covered employee's portion of the cost of a medical benefit plan from their compensation. Based on the employee's authorization to make the deduction, the employer may condition their eligibility for the medical benefit plan.

9. If a collective bargaining agreement or other contract inconsistent with the aforementioned guidelines is in place on the effective date of this act, the requirements of SB 7 do not apply until said collective bargaining agreement or contract expires or is amended, extended, or renewed.

10. The requirements listed here apply to all public employees to the greatest extent that is consistent with constitutionally allocated powers, regardless of membership in a collective bargaining unit.



Call or write your state representative today, and let them know that taking on 20 percent of the cost of health care is more than shared sacrifice. It's asking you to pick and choose between food on the table or medicine for your sick kids.

**For more information on this and other important issues impacting nursing, visit our website,
www.minurses.org.**

LET YOUR VOICE BE HEARD!