

FY 2018-19: DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary: Conference Report
House Bill 5575 (H-2) CR-1



Analyst: Marcus Coffin

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Conference	Difference: Conference From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$707,600	\$713,800	\$713,800	\$713,800	\$713,800	\$6,200	0.9
Federal	2,014,700	2,017,300	2,017,300	2,017,300	2,017,300	2,600	0.1
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	63,869,100	64,690,800	65,090,800	65,090,800	64,690,800	821,700	1.3
GF/GP	150,000	150,000	150,000	150,000	550,000	400,000	266.7
Gross	\$66,741,400	\$67,571,900	\$67,971,900	\$67,971,900	\$67,971,900	\$1,230,500	1.8
FTEs	342.5	342.5	342.5	342.5	342.5	0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action is based on Senate Bill 858 as passed by the Senate.

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial services industries operating within this state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes From FY 2017-18 YTD Appropriations

1. Economic Adjustments

Executive reflects increased costs of \$830,500 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. House concurs. Senate concurs. Conference concurs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
Gross	NA	\$830,500
IDG	NA	6,200
Federal	NA	2,600
Restricted	NA	821,700
GF/GP	NA	\$0

2. Insurance Evaluation Enhancement

Executive does not include. House and Senate include additional one-time restricted funding for the department to complete a study, with the assistance of an actuarial firm, capable of supporting this state's pursuit of a state innovation waiver, available under section 1332 of the Patient Protection and Affordable Care Act. Conference includes as one-time funding, but changes the fund source to \$400,000 GF/GP.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
Gross	NA	\$400,000
Restricted	NA	0
GF/GP	NA	\$400,000

Major Boilerplate Changes From FY 2017-18

Sec. 207. Out-of-State Travel Requirements and Report – RETAINED

Stipulates various limitations regarding the conditions when DIFS may send employees on out-of-state travel, further limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed report on out-of-state travel. Executive revises to strike sections delineating conditions for the permissibility of out-of-state travel and by heavily modifying the requirements of the report. House retains. Senate retains. Conference retains.

Sec. 218. Communications with the Legislature – RETAINED

Prohibits DIFS from taking disciplinary action against an employee for communicating with a member of the legislature or its staff. Executive deletes. House retains. Senate retains. Conference retains.

Major Boilerplate Changes From FY 2017-18

Sec. 219. Television and Radio Productions – RETAINED

Prohibits DIFS from developing or producing television or radio productions. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 220. Healthy Michigan Plan Accounting Structure – RETAINED

Requires DIFS, in conjunction with the Department of Health and Human Services (DHHS), to maintain accounting structures within this state's accounting system that will facilitate the identification of expenditures associated with the Healthy Michigan Plan. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 221. Appropriation for Healthy Michigan Plan Statutory Reporting Requirement – RETAINED

Stipulates that the appropriation for Executive Director Programs from the General Fund shall only be expended on DIFS' reporting requirements pursuant to subsection 105d(9) of The Social Welfare Act of 1939. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 301. Health Insurance Rate Filings Report – REVISED

Requires DIFS to submit a report based on the annual rate filings from health insurers and delineates the information to be included. Executive deletes. House revises to delete requirement that the report contain an estimated percentage of uninsured within this state. Senate revises to delete requirement that the report contain an estimate percentage of uninsured within this state. Conference revises to exclude the estimated percentage of uninsured requirement.

Sec. 401. Section 1332 State Innovation Waiver Study – NEW

Requires DIFS to use one-time funding to have an actuarial firm complete a study capable of supporting this state's pursuit of a section 1332 state innovation waiver under the Patient Protection and Affordable Care Act. Executive does not include. House includes new language. Senate includes new language. Conference includes new language.