FY 2018-19: DEPARTMENT OF INSURANCE AND

FINANCIAL SERVICES

Summary: As Passed by the Senate

Senate Bill 858 (S-1)



Analyst: Marcus Coffin

	FY 2017-18 YTD	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	Difference: Sen From FY 2017-18	
	as of 2/7/18	Executive	House	Senate	Enacted	Amount	# %
IDG/IDT	\$707,600	\$713,800	\$713,800	\$713,800		\$6,200	0.9
Federal	2,014,700	2,017,300	2,017,300	2,017,300		2,600	0.1
Local	0	0	0	0		0	
Private	0	0	0	0		0	
Restricted	63,869,100	64,690,800	65,090,800	65,090,800		1,221,700	1.9
GF/GP	150,000	150,000	150,000	150,000		0	0.0
Gross	\$66,741,400	\$67,571,900	\$67,971,900	\$67,971,900		\$1,230,500	1.8
FTEs	342.5	342.5	342.5	342.5		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.

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	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate <u>Change</u>	
1. Economic Adjustments	Gross	NA	\$830,500
Executive reflects increased costs of \$830,500 Gross (\$0 GF/GP) for	IDG	NA	6,200
negotiated salary and wage increases (2.0% ongoing), actuarially required	Federal	NA	2,600
retirement contributions, worker's compensation, building occupancy	Restricted	NA	821,700
charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	NA	\$0
2. Insurance evaluation enhancement	Gross	NA	\$400,000
House includes additional one-time funding for the department to complete a	Restricted	NA	400,000
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. <u>Senate</u> also includes.	GF/GP	NA	\$0

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.

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.

Sec. 219. Television and Radio Productions - RETAINED

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

Major Boilerplate Changes From FY 2017-18

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 which will facilitate the identification of expenditures associated with the Healthy Michigan Plan. Executive deletes. House retains. Senate retains.

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

Stipulates that the appropriation 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.

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. <u>Executive</u> deletes. <u>House</u> revises to delete requirement that the report contain an estimated percentage of uninsured within this state. <u>Senate</u> revises to delete requirement that the report contain an estimate percentage of uninsured within this state.

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. <u>Executive</u> does not include. <u>House</u> includes new language. <u>Senate</u> includes new language.