

FY 2018-19: DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Summary: As Passed by the Senate Senate Bill 858 (S-1)



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	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						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

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.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate 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

House includes additional one-time 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. Senate also includes.

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

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.