



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 135 (Substitute S-1 as reported)

Sponsor: Senator Kevin Hertel

Committee: Health Policy

CONTENT

The bill would amend Chapter 34 (Disability Insurance Policies) of the Insurance Code to do the following:

- Exempt retiree-only health insurance coverage from requirements related to coverage for dependents and for mental health and substance use disorder services.
- Allow retiree-only health insurance coverage and non-grandfathered health plan coverage to place lifetime or annual limits on the dollar value of essential health benefit coverage.
- Exempt non-grandfathered health plan coverage and retiree-only health insurance coverage from the requirement to provide essential health benefits like hospitalization and pregnancy care.
- Exempt insurance coverage that provided benefits for fixed indemnity, short-term duration policy, and non-grandfathered health plan coverage from the prohibition on limiting or excluding coverage based on a pre-existing condition.

MCL 500.3403 et al.

BRIEF RATIONALE

In 2023, Public Acts (PA) 156 through 163 codified provisions of the Affordable Care Act (ACA) into the Insurance Code, such as prohibitions against exclusion of coverage due to a pre-existing condition. According to testimony before the Senate Committee on Health Policy, these PAs did not incorporate all the intended provisions of the ACA. The bill would further incorporate some of the intended ACA provisions, including amendments to the Insurance Code to exempt certain plans from providing benefits for pre-existing conditions in accordance with the ACA.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is a reintroduction of Senate Bill 1111 of the 2023-2024 Legislative Session. Senate Bill 1111 passed the Senate but received no further action.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 3-20-25

Fiscal Analyst: Nathan Leaman