



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5173 (Substitute H-3 as reported without amendment)

Sponsor: Representative Kara Hope

House Committee: Health Policy

Senate Committee: Health Policy

CONTENT

The bill would amend Part 215 (Hospitals) of the Public Health Code to require the Department of Insurance and Financial Services (DIFS), in consultation with the Department of Health and Human Services, to develop and make available to hospitals an informational document on the insurance enrollment process for coverage of a newborn. If a live child born in a hospital were not covered under a health benefit plan, the hospital would have to provide a parent or guardian of the child the informational document.¹

MCL 333.20165 et al.

BRIEF RATIONALE

Unexpected hospital bills can be financially difficult for a family, especially one with a newborn baby. According to testimony, many insured individuals have a requirement in their insurance policies that an individual must inform an insurer within a certain time (often 30 days) of a birth or else the newborn baby is not covered under the insurance policy. Some people believe that new parents should be informed of the insurance enrollment process for newborn babies to prevent the parents from taking on unnecessary medical debt, and so requiring DIFS to develop a document with that information has been suggested.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have a small, negative fiscal impact on DIFS and no impact on local units of government. The additional responsibilities that would be assigned to DIFS by the bill likely would result in increased administrative costs for DIFS, but these would likely be sufficiently funded by existing appropriations.

Date Completed: 12-16-24

Fiscal Analyst: Nathan Leaman

¹ Under Section 24502 of the Code, "health benefit plan" means an individual or group expense-incurred hospital, medical, or surgical policy or certificate, an individual or group health maintenance organization contract, or a self-funded plan established or maintained by State or a local unit of government for its employees.