

Act No. 25
Public Acts of 2025
Approved by the Governor
October 7, 2025
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October 7, 2025
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**STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025**

Introduced by Rep. VanWoerkom

ENROLLED HOUSE BILL No. 4968

AN ACT to amend 2018 PA 175, entitled "An act to impose an assessment on certain insurance providers; to impose certain duties and obligations on certain insurance providers, state departments, agencies, and officials; to create certain funds; to authorize certain expenditures; and to impose certain remedies and penalties," by amending sections 7, 11, and 17 (MCL 550.1757, 550.1761, and 550.1767).

The People of the State of Michigan enact:

Sec. 7. (1) Beginning on the first day of the calendar quarter in which the director of the department of health and human services notifies the secretary of state and the department in writing that the federal Centers for Medicare and Medicaid Services has approved its request for a waiver of the broad-based and uniformity provisions of section 1903(w)(3)(B) and (C) of title XIX of the social security act, 42 USC 1396b, for implementation of this act or October 1, 2018, whichever is later, there is levied and imposed an annual assessment on the number of member months for each insurance provider reported on its annual financial statement filed with the department of insurance and financial services or the department of health and human services, whichever is applicable, for the previous calendar year at the following rates in the following circumstances:

(a) For tier 1, a Medicaid contracted health plan's member months supported with federal funds authorized under subchapter XIX of the social security act, 42 USC 1396 to 1396w-8, as follows:

(i) For the number of member months and the dollar amount necessary per member month, as determined each year by the department of health and human services, to achieve a result of between 1.00 and 1.02 on the statistical test imposed by the federal Centers for Medicare and Medicaid Services according to 42 CFR 433.68(e).

(ii) For each remaining member month not assessed under subparagraph (i), \$1.20 per member month.

(b) For tier 2, a health insurer's member months not supported with federal funds authorized under subchapter XIX of the social security act, 42 USC 1396 to 1396w-8, \$2.40 per member month.

(c) For tier 3, a specialty prepaid health plan's member months supported with federal funds authorized under subchapter XIX of the social security act, 42 USC 1396 to 1396w-5, \$1.20 per member month.

(2) If the federal waiver under subsection (1) is approved on an ongoing basis, the department of health and human services may use information in the waiver approval instead of updating the tax on an annual basis.

(3) The department of health and human services may continue with the tax structure that was approved by the federal Centers for Medicare and Medicaid Services on December 20, 2024, and in place on July 4, 2025, unless the federal Centers for Medicare and Medicaid Services end dates the waiver.

(4) If the waiver that was approved on December 20, 2024 is ended by the federal Centers for Medicare and Medicaid Services, the department of health and human services shall propose to the federal Centers for Medicare and Medicaid Services a tax structure that is compliant with updated broad-based and uniform requirements under federal law and regulation. Beginning on approval from the federal Centers for Medicare and Medicaid

Services of a revised insurance provider assessment tax structure, there is levied and imposed an annual assessment on the number of member months for each insurance provider reported on its annual financial statement filed with the department of insurance and financial services or the department of health and human services, whichever is applicable, for the previous calendar year. The tax rate must be determined each year by the department of health and human services for the dollar amount necessary per member month to achieve a total revenue not to exceed the total revenue due for the tax year of April 1, 2024 through March 31, 2025. The per member month tax rate must be the same for all tiers described in subsection (1).

(5) By May 15 of each year, the department of insurance and financial services and the department of health and human services shall make available to the department the number of member months for each insurance provider and the necessary assessment information for the department to calculate the assessment due under this act, including the number of member months and the rate to be imposed in accordance with subsection (1)(a)(i) to satisfy the statistical test.

(6) For the initial year of implementation only, the department shall notify each insurance provider after June 15, 2018 but before October 15, 2018, of the number of member months and the rate imposed on these member months in accordance with subsection (1)(a)(i) and of its assessment, prorated for 2 quarters, due based on the insurance provider's member months for the previous calendar year. The initial assessment is payable in 2 equal installments. Each insurance provider shall submit the payments to the department by January 30, 2019 and April 30, 2019.

(7) The department shall notify each insurance provider after June 1, but before June 15 each year after implementation, of the number of member months and the rate imposed on these member months under subsection (1)(a)(i) and of its annual assessment due under this act based on the insurance provider's member months for the previous calendar year, or in the federal waiver approval in accordance with subsection (2). The assessment is payable on a quarterly basis and each insurance provider shall submit quarterly payments on July 30, October 30, January 30, and April 30 to the department for the amount of the assessment imposed under this act with respect to the number of member months reported on its financial statements for the previous calendar year, or in the federal waiver approval in accordance with subsection (2).

(8) If a due date falls on a Saturday, Sunday, state holiday, or legal banking holiday, the payments are due on the next succeeding business day.

(9) The department may require that payment of the assessment be made by an electronic funds transfer method approved by the department.

Sec. 11. (1) The department shall administer the assessment imposed under this act under 1941 PA 122, MCL 205.1 to 205.31, and this act. If 1941 PA 122, MCL 205.1 to 205.31, and this act conflict, the provisions of this act apply. The assessment imposed under this act is a tax for the purpose of 1941 PA 122, MCL 205.1 to 205.31.

(2) The department may promulgate rules to implement this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(3) The assessment imposed under this act is not considered an assessment or burden for purposes of the tax, or as a credit toward or payment instead of the tax under section 476a of the insurance code of 1956, 1956 PA 218, MCL 500.476a.

(4) The department shall submit an annual report to the state budget director, the senate and house of representatives standing committees on appropriations and insurance, and the senate and house fiscal agencies not later than 120 days after May 15 that states the amount of revenue collected from insurance providers under this act for the preceding state fiscal year and the costs incurred for administration and compliance requirements under this act for the preceding state fiscal year.

Sec. 17. The department shall provide the director of the department of insurance and financial services with written notice of any final determination that an insurance provider has failed to pay an assessment, interest, or penalty when due. The director of the department of insurance and financial services may suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in this state, or the license to operate in this state, of any insurance provider that fails to pay an assessment, interest, or penalty due under this act. The director of the department of insurance and financial services shall not withdraw a suspension of a certificate of authority to transact insurance in this state or a license to operate in this state under this section unless any delinquent assessment, interest, or penalty has been paid. If the director of the department of insurance and financial services issues a suspension under this section, the director of the department of insurance and financial services shall provide written notice to the standing committees on insurance not later than 10 days after the suspension is issued.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 103rd Legislature are enacted into law:

(a) House Bill No. 4183.

(b) House Bill No. 4951.

(c) House Bill No. 4961.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved_____

Governor