

**SUBSTITUTE FOR  
SENATE BILL NO. 637**

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3406nn.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **Sec. 3406nn. (1) The department shall apply to the United**  
2 **States Secretary of Health and Human Services under section 1332 of**  
3 **the patient protection and affordable care act, 42 USC 18052, for a**  
4 **state innovation waiver to do any of the following:**

5           **(a) Waive any applicable provisions of the patient protection**  
6 **and affordable care act with respect to health insurance coverage.**

7           **(b) Establish a reinsurance program in accordance with an**  
8 **approved waiver.**

9           **(c) Maximize federal funding for the reinsurance program for**

1 plan years beginning on or after implementation of the program.

2 (2) On or before 180 days after the effective date of the  
3 amendatory act that added this section, the department shall do  
4 both of the following:

5 (a) Make a draft application available for a 30-day public  
6 review and comment period. The department shall consider any  
7 comments in its final submitted application.

8 (b) Provide the draft application to the standing committees  
9 of the senate and the house of representatives that primarily  
10 consider health and insurance matters.

11 (3) The department may amend the waiver application at any  
12 time as necessary to carry out the provisions of the Michigan  
13 health insurance exchange act.

14 (4) On approval of the department's application for an  
15 innovation waiver by the United States Department of Health and  
16 Human Services, the department shall implement a reinsurance  
17 program.

18 (5) The department shall report to the appropriation  
19 committees of the senate and house of representatives on money  
20 necessary to fund the reinsurance program under this section and  
21 suggested sources of the money, including any money necessary to be  
22 appropriated by the legislature from the general fund.

23 Enacting section 1. This amendatory act does not take effect  
24 unless Senate Bill No. 633 of the 102nd Legislature is enacted into  
25 law.