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## Great News for Self-Funded Plans in Michigan!

Michigan officially repealed the Health Insurance Claims Assessment (HICA) tax on June 11, 2018; however, that repeal was conditioned on the approval of its replacement, the Insurance Provider Assessment (IPA), by the Centers for Medicare & Medicaid Services (CMS).

On December 11, 2018, CMS notified the Michigan Department of Health and Human Services (MDHHS) that it had approved the IPA. As a result, the HICA tax is officially repealed effective October 1, 2018. Under the legislation that repealed the HICA tax, the effective date of the repeal was the later of the following dates: 1) the first day of the calendar quarter during which MDHHS was notified that the IPA was approved; and 2) October 1, 2018. Since October 1, 2018, is the first day of the calendar quarter which includes the date of December 11, 2018, the date of CMS's approval, the effective date of the repeal is October 1, 2018.

The HICA tax repeal is welcome news to our plan sponsors of self-funded group health plans and all our Preferred United Plans® "Alternative Funding" employers, because self-funded group health plans are not subject to the IPA.

Fully insured group health plans are subject to the IPA (technically, the insurers of fully insured group health plans are subject to the IPA). Insurers/Carriers are sure to pass the cost of the IPA on to their fully insured customers. Because of the complexity of how the IPA is calculated, it is difficult to tell (at this time) whether the IPA will be more or less expensive to plan sponsors of fully insured group health plans. So, this is probably less exciting news to these plan sponsors (and their plans' insurers).

(This information is no way intended to be legal advice.) Please consult with your proper legal representative from your firm.

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