

TRICARE PREMIUM REIMBURSEMENT PROGRAM

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House Bill 5433 (proposed substitute H-1)

Sponsor: Rep. Will Snyder

Committee: Military, Veterans and Homeland Security

Complete to 3-19-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5433 would create a new act to require the Department of Military and Veterans Affairs to create and operate the Tricare premium reimbursement program. Under the program, the department could award grants for a premium paid for individual coverage through the *Tricare reserve select program*, the *Tricare dental program*, or both, to members of the Michigan National Guard who are eligible for coverage under the program or programs and who meet the reimbursement application requirements and any other eligibility criteria established by the department.

Tricare reserve select program would mean a voluntary health insurance plan for eligible members of the Michigan National Guard or military reserve who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

Tricare dental program would mean a voluntary dental health insurance plan for eligible members of the Michigan National Guard or military reserve who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

The eligible individual would have to apply for reimbursement under the program by submitting an application to the department on a form containing information determined by the department. The department would have to make the form, with instructions, available on its website. The department also would have to develop and issue rules to implement the act.

FISCAL IMPACT:

The bill would result in an annual ongoing cost increase to the Department of Military and Veterans Affairs. Actual costs would depend on the number of Michigan National Guard members who opt for individual health and dental insurance coverage under the proposed program and salary costs of new staff to administer the program. The department reports that two additional FTE positions and \$300,000 annually would be required to sufficiently administer the program without affecting reimbursement processing time.

The department reports that 22% of Michigan National Guard members, or approximately 2,200 individuals, currently lack health and dental insurance. Current monthly premiums are \$48.47 for individual Tricare health insurance and \$12.36 for Tricare dental insurance. This would result in annual costs of \$730 per service member. If 100% of eligible service members participate in the program, total annual reimbursement costs would be approximately \$1.6 million. The actual program participation rate is not known but would likely be less than 100%.

Program reimbursement expenses together with administrative staffing expenses would total \$1.9 million annually for full potential costs.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.