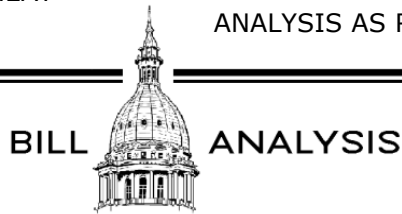




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Senate Bill 642 (as reported without amendment)  
Sponsor: Senator Goeff Hansen  
Committee: Insurance

*(enacted version)*

Date Completed: 11-22-13

### **RATIONALE**

The Uniform Unclaimed Property Act governs how abandoned property escheats to the State. Generally, the State Treasurer must transfer escheated funds into the General Fund. The Act requires the Treasurer, however, to transfer to the Senior Care Respite Fund funds that escheat to the State under Section 403a of the Nonprofit Health Care Corporation Reform Act. Under that section, any check or other written instrument for benefits that a nonprofit health care corporation, i.e., Blue Cross Blue Shield of Michigan, pays to a subscriber or provider that is not cashed within the mandated period under the Uniform Unclaimed Property Act escheats to the State. Generally, a check is presumed abandoned, and its funds escheat, three years after it was payable.

Effective January 1, 2014, Blue Cross Blue Shield of Michigan will be restructured as a nonprofit mutual disability insurer under Public Acts 4 and 5 of 2013. Abandoned benefits that currently escheat under Section 403a of the Nonprofit Health Care Corporation Reform Act instead will escheat under Section 5805 of the Insurance Code.

Therefore, to retain this source of revenue for the Senior Care Respite Fund, it has been suggested that funds that escheat under Section 5805 of the Insurance Code should be directed to the Fund.

### **CONTENT**

The bill would amend the Uniform Unclaimed Property Act to require the State Treasurer to transfer to the Senior Care Respite Fund funds that escheat to the State under Section 5805 of the Insurance Code. (That section requires benefits paid by a nonprofit mutual disability insurer that has merged with a nonprofit health care corporation to an insured or provider via check or other written instrument that is not cashed within the mandated period under the Uniform Unclaimed Property Act, to escheat to the State.)

MCL 567.244

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

Money in the Senior Care Respite Fund, established in the Older Michiganians Act, is annually distributed to Area Agencies on Aging. Area Agencies on Aging are nonprofit agencies that assist the elderly in various ways, including providing access services, assisting in future planning, advocacy, and developing and implementing a system of home and community-based care. There are currently 16 Area Agencies on Aging in Michigan.

The bill would reflect imminent changes to the structure of Blue Cross Blue Shield, ensuring that abandoned benefits would continue to be directed to the Senior Care Respite Fund after January 1, 2014.

Legislative Analyst: Glenn Steffens

**FISCAL IMPACT**

The bill would maintain the current revenue source for the Senior Care Respite Fund. It would require the deposit of escheated payments from Blue Cross Blue Shield of Michigan under both its current structure and the revised structure, which will take effect January 1, 2014, pursuant to Public Acts 4 and 5 of 2013. The budget for the Department of Community Health includes \$1.8 million in FY 2013-14 appropriated from the Senior Care Respite Fund for senior respite care.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.