# DEPARTMENT OF TREASURY

## HEALTH INSURANCE CLAIMS ASSESSMENT ACT

## GENERAL RULES

(By authority conferred on the Department of Treasury by section 6 of 2011 PA 142, MCL 550.1736(2))

**R 550.402 Collection of assessment by carrier or third-party administrator.**

Rule 2. (1) Neither a carrier nor a third-party administrator is required to collect the assessment levied under this Act from an individual, employer, or group health plan pursuant to Section 3a of the Act; the collection of the assessment from these parties by carriers and third-party administrators is permissive.

(2) However, if a carrier or third-party administrator determines to collect the assessment from an individual, employer, or group health plan, such collection may only be undertaken pursuant to the methodology requirements set forth in Section 3a. For purposes of this rule, "Act" means the Health Insurance Claims Assessment Act, 2011 PA 142, MCL 550.1731 et seq.

History: 2013 AACS.

**R 550.403 Recordkeeping; examination of documents.**

Rule 3. (1) The department, through its field auditors and other employees, may examine the books, records and papers of any person liable for the assessment.

(2) Every person subject to the assessment must keep and preserve suitable and adequate records to enable such person, as well as the state, to determine the correct amount of the assessment for which the person is liable. Failure to produce and keep records for the purpose of examination by the department will be considered willful noncompliance with a tax law.

(3) A person subject to the assessment must retain all quarterly worksheets as well as all source documents used in the preparation of the quarterly worksheets and the annual returns filed pursuant to the Act. Source documents may include, but are not limited to, documents and records maintained in the ordinary course of business containing claims-related information and statements or billings for medical services.

(4) A person subject to the assessment must also retain all documents and records used to determine eligibility for, and the amount of, each of the exclusions from the assessment indicated on the quarterly worksheets and annual returns, including, but not limited to, documents and records supporting recoveries against claims, claims-related expenses, claims paid for non-residents, claims paid for services not performed in Michigan, reimbursements made to individuals under federally authorized health spending accounts, and claims paid pursuant to accident, disability, long-term care, automobile, workers' compensation, or property and casualty coverage.

History: 2013 AACS.

**R 550.404 Michigan resident; domicile.**

Rule 4. (1) For purposes of the Act, a Michigan "resident" is an individual who is domiciled in the state of Michigan on the date that the service in question is performed.

(2) "Domicile" means the place where an individual has his or her fixed, permanent and principal home to which he or she returns or intends to return. An individual's domicile in one place continues until a different domicile is established.

(3) A rebuttable presumption shall exist that an individual's home address, as maintained in the ordinary business records of a carrier or third-party administrator, indicates the domicile of that individual under this definition. Example: An individual who is domiciled in Michigan, but attends college in another state, is a Michigan resident for purposes of the Act. If that individual obtains health services in Michigan while home between semesters, a "paid claim" for the performance of those services will be subject to the assessment under the Act.

History: 2013 AACS.