



michigan dental
ASSOCIATION
YOUR CONNECTION TO ORAL HEALTH

October 6, 2022

Michigan House of Representatives
Committee on Rules and Competitiveness
Room 352, House Appropriations
State Capitol Building
Lansing, Michigan 48933

Dear Committee Members,

Thank you for your consideration of SB 1085. The Michigan Dental Association supports SB 1085 as a necessary update to Michigan's law that regulates multiple employer welfare arrangements, or MEWAs.

MEWAs are entities formed by multiple employers for the purposes of buying and selling health insurance. By forming a MEWA, businesses are able to obtain competitive products and rates for their employees. The MDA-Insurance and Financial Group (MDA-IFG) operates the only MEWA in Michigan, ensuring our members are able to obtain quality benefits for their employees. Additionally, MDA-IFG sells health insurance products to members of other professional associations in Michigan. Since its inception, MDA-IFG has had no history of financial issues or non-compliance.

Currently, Michigan law requires MEWAs to file a CPA-audited financial statement with the Michigan Department of Insurance and Financial Services within 90 days of the end of each fiscal year. Due to changes in Generally Accepted Auditing Standards by the American Institute of Certified Public Accountants, MEWAs are unable to comply with the filing requirement within 90 days of the end of each fiscal year and will be subject to enforcement actions from the Department.

SB 1085 amends the filing deadline established for MEWAs in MCL 500.7040(1)(a) from "90 days" to "180 days" so that it reflects the realities imposed by the new auditing standards. Nothing else is changed. The purpose of this section of the law is to ensure MEWAs are operating in a financially responsible manner. This bill will ensure the law is able to serve its purpose by providing MEWAs an opportunity to meet its reporting requirements on an annual basis.

The Michigan Dental Association appreciates your service on this Committee and looks forward to your support of SB 1085. Please contact me at 517-346-9422 or nkatibai@michigandental.org if you have any questions about this bill.

Sincerely,

A handwritten signature in cursive script that reads "Neema Katibai".

Neema Katibai
MDA Manager of Government and Insurance Affairs