CRC BENEFITS | THRIVE Workplace Benefits
Dedicated to Development and Success

MICHIGAN

Regulatory Compliance and Resources by State

STATE CONTINUATION

Qualified Beneficiaries: Only Federal

Qualifying Events: Only Federal

COBRA Duration: Only Federal

Maximum Premium Amount: Only Federal

Paid Family Leave: A Paid Parental Leave provides new parents with paid time off after the birth or adoption of their child. You may be eligible for a 12-week paid leave.

Before baby's arrival:

- Submit an application no more than 60 days before your anticipated due date or adoption date:
  - Online or
  - Print, complete, and fax an Application for Leave of Absence

Adoption of children related by blood or marriage or of a child over 6 years of age does not qualify you to take a Paid Parental Leave. You may be eligible to take an unpaid parental leave.

STATE EMPLOYER REPORTING: NONE

PAID SICK LEAVE:

Under the ETSA, Michigan employers with 10 or more employees must provide **72 hours of paid sick leave to all employees annually**. Michigan employers with less than 10 employees (essentially employers with at least one employee) must provide 40 hours of paid sick leave to all employees annually.

The Paid Medical Leave Act, 2018 Public Act 338, as amended by 2018 Public Act 369, effective March 29, 2019, covers employers who employ 50 or more individuals. The act covers individuals engaged in service to an employer in the business of the employer and from whom an employer is required to withhold for federal income tax purposes. An eligible employee does not include executive, administrative, and professional overtime exempt employees, employees covered by a private collective bargaining agreement.

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PAID MEDICAL LEAVE ACCRUAL

Paid medical leave accrual begins on March 29, 2019, or upon commencement of the employee's employment, whichever is later. Paid medical leave is accrued at a rate of one hour for every 35 actual hours worked; however, an employer is not required to allow accrual of over one hour in a calendar week or more than 40 hours in a benefit year. A benefit year is any consecutive 12-month period used by an employer to calculate an eligible employee's benefits. Employees can carry over up to 40 hours of unused accrued paid medical leave from one benefit year to the next; however, employers are not required to allow employees to use more than 40 hours in a single benefit year. An employer may provide the total amount of paid medical leave all at once by providing at least 40 hours at the beginning of the benefit year or on the date that the individual becomes eligible during the benefit year on a prorated basis. If an employer adopts this practice, it does not have to permit employees to carry over unused leave to the next benefit year. (See section 3 of the Paid Medical Leave Act, 2018 Public Act 338).

PAID MEDICAL LEAVE USAGE

An employee may use paid medical leave as it is accrued except an employer may require an employee to wait until the 90th calendar day after commencing employment before using accrued paid medical leave. Paid medical leave must be used in one-hour increments unless the employer has a different increment policy set forth in writing in an employee handbook or other employee benefit document. Employees must follow the employer's usual and customary notice, procedural, and documentation requirements for requesting leave. The employee must be allowed at least three days to provide documentation.

Employees may take paid medical leave for any of the following:

- Physical or mental illness, injury, or health condition of the employee or his or her family member
- Medical diagnosis, care, or treatment of the employee or employee's family member
- Preventive care of the employee or his or her family member
- Closure of the employee's primary workplace by order of a public official due to a public health emergency
- The care of his or her child whose school or place of care has been closed by order of a public official due to a public health emergency
- The employee's or his or her family member's exposure to a communicable disease that would jeopardize the health of others as determined by health authorities or a healthcare provider

For domestic violence and sexual assault situations, employees may use paid medical leave for any of the following:

- Medical care or psychological or other counseling
- Receiving services from a victim services organization
- Relocation and obtaining legal services
- Participation in civil or criminal proceedings related to or resulting from the domestic violence or sexual assault

EMPLOYEE RIGHTS

An employee may file a complaint with the Department of Labor and Economic Opportunity (LEO) within six months of the alleged violation. LEO shall investigate a complaint and attempt mediation, where appropriate.

Penalties

If informal resolution is unsuccessful and a violation found, payment of paid medical leave improperly withheld will be requested and penalties may be imposed. An employer who fails to provide paid medical leave is subject to an administrative fine of not more than $1,000. An employer who willingly violates the posting requirement is subject to an administrative fine of not more than $100 for each separate violation.

MANDATORY 401(K): NONE

STATE DISABILITY: NONE

SURPRISE BILLING

The Michigan Department of Insurance and Financial Services (DIFS) has implemented new regulations following the enactment of surprise billing legislation in 2020. **MHA advocacy efforts resulted in significant changes to the legislation before it became law.** As passed, Michigan's surprise billing law generally exempts direct hospital employees from its requirements through its definition of a healthcare provider. In the context of the surprise billing statute, "provider" means an individual who is licensed or authorized as a health professional under Article 15 of the Michigan Public Health Code and does not mean a hospital or other health facility. However, hospitals and health systems should be aware of the new regulations and who must comply with them.

The DIFS regulations and the Michigan statute require healthcare providers to inform consumers of the possibility of surprise billing through a disclosure form sent at least 14 days before a scheduled medical service. The form must explain that the consumer's insurance company may not cover the entire cost or all services and that the patient would be personally responsible for any uncovered costs. As part of the notice, patients must also be given a good faith estimate of the total cost of the care they will receive, enabling them to budget for these expenses in advance or choose alternative care. The law applies to most health plans.

In addition to establishing disclosure requirements, the new law states that **payment for out-of-network emergency services must be negotiated between the provider and the patient's insurance company, *not with the patient directly.*** Beginning July 1, certain payment disagreements between out-of-network providers and insurers may go to binding arbitration under the law.

DIFS has established a webpage specific to surprise medical billing that hospitals should reference for additional information.

Department of Insurance website: https://www.michigan.gov/difs