



Resolution 20-2022

Date: March 16, 2022

Urging State Legislature to Amend the Michigan Auto Insurance Reform Act to Address a Reimbursement Cap for Auto Accident Victims

WHEREAS the Michigan No-Fault Auto Insurance Reform Act of 2019 introduced a fee schedule/cap, which took final effect on July 1, 2021, that set percentage limits on how much residential care facilities, home health care providers, and other persons can be paid or reimbursed for providing treatment or care to auto accident victims; and

WHEREAS, the reimbursement rates under the Michigan Auto Insurance Fee Schedule now allows residential care facilities, home health care providers and other persons who lawfully render treatment to receive 200% of Medicare, for what Medicare reimburses, regardless of limitation, 55% of a providers Charge Description Master (CDM) as of January 1, 2019, and/or if the preceding two obligations are not met, 55% of a providers average charges for which they received payment on January 1, 2019; and

WHEREAS, despite the statutory obligation described above, Michigan Auto Insurance companies are only paying providers 45% of what they were receiving in January 2019; and

WHEREAS, as a result, home health care providers are being reimbursed between \$14-\$18/hour which is below the cost of employee wages as other entry level positions in different industries (fast food) are paying workers between \$15-\$20/hour.

WHEREAS, the Michigan No-Fault Auto Insurance Reform Act applies retroactively including the fee schedule cap, which is fundamentally unfair to individuals who purchased coverage and were injured in motor vehicle accidents before the No-Fault Act was amended in 2019 and now have limited access to care; and

WHEREAS, these fee caps affect the auto accident victims who are receiving long-term care and rehabilitation paid for by the Michigan Catastrophic Claims Association (MCCA) through the per-vehicle annual fee that all Michigan drivers were once assessed; and

WHEREAS, the hours of family-provided attendant care to a claimant impacted by a catastrophic auto accident were once able to be up to 24/7 as prescribed by the claimants prescribing physician are now limited to 8 hours of care per day regardless of patient need despite the financial obligation of paying other resources more monies; and

WHEREAS, the MCCA's 2021 Annual Statement shows its assets are over \$27 billion and its total liabilities are slightly over \$22 billion; and

WHEREAS, some patients who are not able to find long-term catastrophic care services have been forced to leave their own homes; and

WHEREAS, even though lifetime medical benefits are still guaranteed under the 2019 Michigan Auto-Insurance Reform Act, for those injured prior to 2019 and for those who purchase Unlimited Personal Injury Protection (PIP) policies, these benefits are meaningless if patients have very limited or no access to services since providers are unable to cover basic labor costs; and

WHEREAS, there are many Grand Traverse County residents, and their families, who are currently benefitting, or would in the future, from services pertaining to their care, recovery and rehabilitation from catastrophic injuries but are already directly affected if the current law is not changed; and

WHEREAS, without action more than 18,000 individuals with spinal cord injuries, brain injuries and other catastrophic injuries in Michigan will have to find another way to receive care and support (Medicaid) because of this major change to the State's No-Fault auto insurance law despite having purchased insurance policies to protect them and their families; and

WHEREAS, this is a humanitarian crisis born from a government-mandated price fix, that only the legislature can undo; and

NOW THEREFORE BE IT RESOLVED that the Grand Traverse County Board of Commissioners hereby urges the Michigan Legislature to amend the Michigan No-Fault Auto Insurance Reform Act to address a sustainable reimbursement cap based on an existing Government payor (Medicaid, Veterans Affairs, etc) for residential care facilities, and home health providers, and families, regardless of number of hours worked, who provide medically necessary care to auto accident victims in order to uphold these benefits that have been paid for by the survivors who currently are receiving and who will receive long-term care when purchasing an Unlimited PIP Auto Insurance policy paid by the Michigan Catastrophic Claims Association.

BE IT FURTHER RESOLVED that the Grand Traverse County Clerk is requested to forward copies of the adopted resolution to the Governor of the State of Michigan, the State Senate Majority and Minority leaders, the State House Speaker and Minority Leader, the members of the Grand Traverse County delegation to the Michigan Legislature, and the other 82 counties of Michigan as commissioner correspondence.