

THE CURRENT PROBLEM WITH AUTO NO FAULT:

- **SB1/PA21 (Auto No-fault Reform Act of 2019)** On 7/1/2021 the law cut home care reimbursement by 45%, an amount which is far below what it costs to hire a caregiver to provide care to an auto injured survivor. Family care hours were also cut, resulting in even greater demand for agency provided care.
- **HOME HEALTH CARE PROVIDERS ARE ONLY REIMBURSED AN AVERAGE OF \$14-18/PER HOUR** for services delivered in the home by a caregiver aide, an amount insufficient to cover employee wages and overhead. This forces tough decisions for both agencies and families as they struggle to meet the growing needs of auto injured survivors. Home care is hard work and employees are choosing to leave for increases in pay offered by other opportunities such as fast food and others competing employers.

MYTH: Fixing Auto No-Fault Reimbursement will return Michigan to pre-Auto No Fault Reform.

FACT: Michigan's auto no-fault reforms resulted in provider reimbursement at a level which does not sustain the home care services guaranteed by auto insurance policies.

What does this really mean for Michigan?

- **Without a legislative solution**, the current situation will result in unnecessary litigation and expenses which will **drive up the cost of auto insurance** in Michigan while limiting care to auto injured survivors.
- **Without prompt legislative action**, care will be shifted from survivor homes to Medicaid funded nursing and other institutional facilities, which will **increase the burden on the Michigan taxpayer** and on an already stressed Medicaid system. Auto injured survivors will be less capable of living a normal life in their own home.

THE SOLUTION

Michigan House Bill 5698

- Residential care providers continue to be reimbursed by a formula represented by the percentage of Medicare reimbursement as outlined in SB1/PA21. THEN if a service is not readily payable by Medicare, **default to paying 200% of the 2019 Medicaid Brain Injury Service Rate.**
- Home health care will continue to be reimbursed by the percentage of the Medicare formula in SB1/PA21 (as is), THEN if a service is not readily payable by Medicare **default to 150% of the National VA Fee Schedule based on the location where services are being delivered.**
- Increase of family provided care hours from 56 hours per week to 112 hours per week.

Why HB 5698 is a viable solution?

- Reimbursement levels allow agencies to pay aides a living wage and therefore hire employees to help auto injured survivors receive necessary care, the very benefits guaranteed by their insurance policy.
- Auto no-fault victims will receive the care they need to live in their own home and live their daily lives.
- Unchanged, there will be more lost jobs, increased state Medicaid cost, unnecessary litigation, higher insurance costs, and auto injured survivors will not have access to the home care they need.

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