



KALAMAZOO COUNTY GOVERNMENT

In the Pursuit of Extraordinary Governance...

Kalamazoo County Board of Commissioners RESOLUTION

Resolution Urging the 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 under this Act allows residential care facilities, home health care providers and other persons who lawfully render treatment to receive 55% of a provider's January 1, 2019 Charge Description Master (CDM) billing codes; and

WHEREAS, despite the statutory obligation described above, Michigan Auto Insurance companies are only paying providers 55% of the already discounted payments they were making in January 2019 and NOT 55% of the billed amount; and

WHEREAS, as a result, home health care providers are being reimbursed between \$11-\$17/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; and

WHEREAS, the Michigan No-Fault Auto Insurance Reform Act has been applied retroactively, including the fee schedule cap, which is fundamentally a violation of the insurance contract these individuals had purchased when they were injured in a motor vehicle accident before the No-Fault Act was amended in 2019, creating severe limits or an absence of 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 includes those who have chosen to continue MCCA coverage in spite of the amended Act; and

WHEREAS, the MCCA's June 2021 Annual Statement shows its assets at over \$27 billion, and its total liabilities slightly over \$22 billion, prior to the implementation of the fee caps; and

WHEREAS, some patients who are not able to find long-term catastrophic care services have been forced to leave their own homes, and according to data from the Brain Injury Association of Michigan, seven of these displaced individuals have already died; 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, as (a) providers are unable to cover basic costs of providing care and are experiencing severe delays in receipt of these already inadequate payments, and (b) at least 96 Michigan companies have already gone out of business, and many more are on the verge of closure, or significantly restricting acceptance of new patients; and

WHEREAS, there are many Kalamazoo County residents and their families, who are now or may in the future utilize these services pertaining to care, recovery and rehabilitation from catastrophic injuries, and are already directly affected by these fee caps, 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 (e.g., 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 borne from a government-mandated price fix, that only the Legislature can undo.

NOW, THEREFORE BE IT RESOLVED, that the Kalamazoo County Board of Commissioners hereby urges the Michigan Legislature to amend the Michigan No-Fault Auto Insurance Reform Act to address the unsustainable fee cap for residential care facilities, and home health providers, and others 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 through the purchase of an Unlimited PIP Auto Insurance policy, paid by the Michigan Catastrophic Claims Association.

BE IT FURTHER RESOLVED, that the Kalamazoo County Clerk/Register of Deeds is requested to forward copies of this 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 Kalamazoo County delegation to the Michigan Legislature, the Chairs of the State House and Senate Insurance Committees, and the other 83 counties of Michigan as Commissioner correspondence.

Adopted: May 4, 2022

Moved	Bruder-Melgar
Seconded	Morales
Carried	Roll Call Vote: Yes (9): Bruder-Melgar, Gisler, Hall, Heppler, McKissack, Morales, Quinn, Rey, Strebs; No (2): Shugars, Tuinier None; Absent (0) None.

Dated: 5/9/2022



Mike Quinn, Chair
Kalamazoo County Board of Commissioners

