How Auto No-Fault Personal Injury Protection Works....and Why a Legislative Fix is Needed

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1st Call Home Healthcare

95.40% of the average auto policy has nothing to do with long term care

95.40% $2,517/yr

4.6% $122/yr

Long Term Care
Care after $600K is paid by MCCA fee of $122 per year

Average Unlimited Michigan Auto Policy of $2,639* per year

Collision
Comprehensive
Property Damage
Theft
Liability
Injury up to $600K

Approximately 5.5 Million Drivers Choose Unlimited
5.5M x $122 = $671M year

Survivors will ultimately reside in one of these environments:
- Home with Family/Agency
- Specialized Residential Care Program
- Specialized Group Home

And will require these services...often for life:
- Aide and Nurse Attendant Care
- Residential Support Services
- Neuro Rehabilitation
- Specialized Therapy
- Short-Term Care Facilities

Evolution of Care for a Catastrophic Auto Injury
Michigan Pre-Reform

"Reasonable and Customary Charges"
Paid by Unlimited PIP up to $600K then MCCA Fund

"Reasonable and Customary Charges"
Paid by MCCA Fund
Survivors will ultimately reside in one of these environments:
- Home with Family/Agency
- Specialized Residential Care Program

And will require these services...often for life:
- 1:1 Aide and Nurse Attendant Care
- Residential Support Services
- Neuro Rehabilitation
- Specialized Therapy
- Short-Term Care Facilities

Paid by MCCA Fund

Evolution of Care for a Catastrophic Auto Injury

Michigan Post Reform

45% Cut to Each Provider’s Specific Jan 2019 Charge Rates

Unlimited PIP up to $600K then MCCA Fund

up to 200% of Medicare Rates
Car Accident

1. Average $250k from auto insurance
2. Driver's Private Health Insurance
3. Exhaust Private Funds
4. State Medicaid

Survivors will ultimately reside in one of these environments:
- Medicaid Nursing Group Home
- Medicaid Long Term Care Facility

And will not get these services:
- Aide or Nurse Daily Care
- Residential Support Services
- Long Term Neuro Rehabilitation
- Long Term Specialized Therapy

Hospital → Acute Rehab → Step-Down Rehab

Evolution of Care for a Catastrophic Auto Injury

Other States

NO COVERAGE
Medicaid, Medicare and Private Health Insurance
up to 200% of Medicare

8 hour per day cap + 45% cut

45% cut to home care agencies

45% cut to residential programs
Cost Control Measures That Became Benefit Eliminators

Was the intent of the reform to control costs or eliminate the long-term benefits?

2019 Reform Cost Control Measures

- $250k cap on uninsured drivers and passengers, pedestrians, bicyclists, and out of state drivers (Assigned Claims)
- Driver Choice - 2 Million Drivers Drop Unlimited PIP
- Increased Utilization Review of Care
- Fraud Prevention Program
- 200% of Medicare Cap on Services with Medicare Codes (MRIs etc.)

X 56-hour/week cap and 45% cut on family provided care

X 45% Cut to Home Care and Residential Programs
Why we need a legislative fix NOW!

A Supreme Court win.....

- Will not restore care to survivors injured after June 11\textsuperscript{th}, 2019, even if they were covered under an “Unlimited” Policy

- Will return the system to “Reasonable and Customary” where unscrupulous providers can attempt overcharging and every case is litigated for rates

Andary VS USAA
Before and After Reform