

Resolution



URGING STATE LEGISLATURE TO AMEND THE MICHIGAN NO-FAULT AUTO INSURANCE REFORM ACT TO ADDRESS A REIMBURSEMENT CAP FOR AUTO ACCIDENT VICTIMS

At a Regular Session of the Calhoun County Board of Commissioners, held in Board Chambers, Calhoun County Building, 315 West Green Street, Marshall, Michigan, on Thursday, July 21, 2022, with Chair Steve Frisbie presiding, the following action was taken:

WHEREAS the Michigan No-Fault Auto Insurance Reform Act of 2019 introduced a fee schedule/cap, which took 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 following two obligations are not met, 55% of a provider's average charges for which they received payment on January 1, 2019; and

WHEREAS rates for services not provided by Medicare were reduced by 45% from what providers received in January 2019; and

WHEREAS the new law applies retroactively the changes made to a fee schedule, 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

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

WHEREAS after the updated medical fee schedules have gone into effect, auto accident victims are struggling now to access even minimal care; and

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

WHEREAS the new law is also causing a lot of payment delays, payment denials and unnecessary hurdles which patients did not have to go through prior to July 1, 2021; and

WHEREAS even though lifetime medical benefits are still guaranteed under the new law, they are meaningless if patients have very limited or no access to them; and

WHEREAS there are many Calhoun 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 significant numbers of Calhoun County medical and rehabilitation businesses that serve accident victims who are covered under this law suffer income loss and could be forced to lay off employees, or even close entirely, if this reform is not changed; and

WHEREAS already more than 18,000 individuals with spinal cord injuries, brain injuries and other catastrophic injuries in Michigan have to find another way to receive care and support because of this major change to the State's No-Fault auto insurance law; and

WHEREAS according to the Michigan Brain Injury Provider Council (MBIPC), more than 750 patients have already lost access to medical care since the changes took effect in July; and

WHEREAS at least 41 Michigan-based care companies have had to either close their doors completely or discharge patients receiving benefits via No-Fault auto insurance; and

WHEREAS these actions have already put at least 1,500 healthcare workers out of a job; and

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

WHEREAS there is bipartisan support to address the reimbursement issues, but the House and Senate leadership have so far taken what appears to be a "wait and see" approach to the July 1, 2021, fee schedule change.

NOW THEREFORE BE IT RESOLVED that the Calhoun 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 for services provided to auto accident victims and preserve the benefits to survivors who receive long-term care paid by the Michigan Catastrophic Claims Association

BE IT FURTHER RESOLVED that the Calhoun County Board of Commissioners 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, and the members of the Calhoun County delegation to the Michigan Legislature.

Dated: July 21, 2022

Steve Frisbie, Chairperson
Calhoun County Board of Commissioners

Res.0 -2022

“Moved Comr. _____, second by Comr. _____ to approve the Resolution Urging State Legislature to Amend the Michigan No-Fault Auto Insurance Reform Act to Address a Reimbursement Cap for Auto Accident Victims, as presented.”

On a roll call vote, Yes – ____, Comrs. _____.

No - ____, Comr. _____.

Absent - ____, Comr. _____.

Abstain - ____, Comr. _____.

Motion **CARRIED.**

STATE OF MICHIGAN)
) SS
COUNTY OF CALHOUN)

I, Susan M. Connolly, Calhoun County Deputy Clerk and Secretary to the Board of Commissioners, do hereby certify that the foregoing is a true and complete copy of Board Resolution No.0____-2022, adopted by the Calhoun County Board of Commissioners on July 21, 2022, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunder affixed my signature and seal of the County of Calhoun on this 21st day of July 2022.

Deputy Clerk and Secretary to the
Board of Commissioners

Dated: February 17, 2022