

2023 Fee Schedule Solution – Meeting the Intent of the Law

Prepared by



Supported by Coalition Protecting Auto No-Fault (CPAN), Michigan Association for Justice (MAJ), Michigan HomeCare and Hospice Association (MHHA), Home Care Association of America (HCAOA), Michigan Health and Hospital Association (MHA)

One of the stated intentions of the proponents of the 2019 auto insurance law was to control costs by, among other things, implementing a fee schedule that is based on a percentage of the Medicare fee schedule.

There is only one way to meet the intent of the law for services without payable Medicare codes – develop a fee schedule for post-acute services that are reasonable, fair and in-line with the Medicare standard used for acute-care services. The MBIPC endorsed solution accomplishes this.

- The rates are based on a rigorous methodology, **utilizing a statistical average of rates that were paid by insurers for these services prior to the 2019 reform** and adjusting them to meet the Medicare standard.
 - **Under the old law, insurers never had to pay rates that they deemed to be unreasonable.** Therefore, the rates utilized to develop this fee schedule are based on reasonable charges – agreed to by the insurance industry as evidenced by their payment history.
- **The rates are not arbitrarily inflated** – they are the product of a systematic approach developing a fair and reasonable fee schedule.
- These rates **withstand scrutiny against appropriate/applicable standards, payer sources within the state of Michigan and elsewhere that fund the coded services.**
- A fee schedule with reasonable rates for the primary long-term care cost factors **brings consistency, reliability, and predictability to the system** – reducing unnecessary waste and litigation.
- This fee schedule DOES NOT eliminate other aspects of the law
 - PIP Choice and the reform to the Assigned Claims continues to drastically reduce volume/cost in the system – these remain.
- This fee schedule DOES NOT eliminate Utilization Review, which provides a check on appropriate utilization of services (if reformed and used correctly).
- This fee schedule DOES NOT eliminate the Medicare-based fee schedule, rather **it enhances and completes the intent of the law.**