



# County of Saginaw

Board of Commissioners  
Telephone (989) 790-5267  
Fax Number (989) 790-5569  
Email: [boc@saginawcounty.com](mailto:boc@saginawcounty.com)

Saginaw County Governmental Center, 111 S. Michigan Ave., Saginaw, MI 48602

## Resolution 2022-5

### **“Urging State Legislature to Amend the Michigan Auto Insurance Reform Act to Address a Reimbursement Cap for Auto Accident Victims”**

At a regular meeting of the Saginaw County Board of Commissioners held in the Commissioner’s Chambers of Saginaw County (111 S. Michigan Ave., Saginaw, Michigan 48602) of said County on the 22nd day of March 2022 at 5:00 p.m.

*Christopher S. Boyd, Carol E. Ewing, Kyle R. Harris, Dennis H. Krafft, Gerald D. Little, Sheldon Matthews, Carl E. Ruth, Jack B. Tany, James G. Theisen, Michael A. Webster, Cynthia M. Winiecke*

**Commissioner Ruth offered the following resolution and moved for adoption. The motion was seconded by Commissioner Krafft.**

**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 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** despite the statutory obligation described above, Michigan Auto Insurance companies are only paying providers 45% of what they were receiving in January 2019; and

**WHEREAS** a result, home health care providers are being reimbursed between \$14-\$18/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.

**WHEREAS** the Michigan No-Fault Auto Insurance Reform Act applies retroactively including the fee schedule cap, 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 now have limited 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

**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** some patients who are not able to find long-term catastrophic care services have been forced to leave their own homes; 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 services since providers are unable to cover basic labor costs; and

**WHEREAS** there are many County residents, and their families, who are currently benefiting, or would in the future, from services pertaining to their care, recovery and rehabilitation from catastrophic injuries but are directly affected 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 (Medicaid) because of this major change to the States No-Fault auto insurance law despite having purchased insurance policies to protect them and their families; and

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

**NOW THEREFORE BE IT RESOLVED** that the Saginaw 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 based on an existing Government payor (Medicaid, Veterans Affairs, etc.) for residential care facilities, and home health providers who provide 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 when purchasing an Unlimited PIP Auto Insurance policy paid by the Michigan Catastrophic Claims Association.

**BE IT FURTHER RESOLVED** that the Saginaw 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 Saginaw County delegation to the Michigan Legislature.

**AYES:** *Boyd, Ewing, Harris, Krafft, Little, Matthews, Ruth, Tany, Theisen, Webster, & Winiecke - 11*

**NAYES:** *None - 0*

**ABSENT:** *None - 0*

**RESOLUTION DECLARED ADOPTED.**

STATE OF MICHIGAN            )  
  )ss  
COUNTY OF SAGINAW        )

I, the undersigned, the duly qualified and acting Clerk of County of Saginaw, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Saginaw County Board of Commissioners at a regular meeting held on the 22<sup>nd</sup> day of March, 2022, the original of which resolution is on file in my office.

IT WITNESS WHEREOF, I have hereunto set my official signature this 22nd day of March, 2022.

  
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Vanessa Guerra, County Clerk  
Saginaw County