



## Impact of Auto No-Fault Reform: Michigan's Crisis in Care

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# Today's Objectives:

- ▶ Understand the **basics** of the medical “fee schedule” in Michigan’s auto insurance no-fault law.
- ▶ Understand the **impact** the “fee schedule” has on essential rehabilitation and care organizations’ **ability to provide services** to catastrophically injured patients.
- ▶ Understand the **advocacy** that has occurred to correct this law and the **potential impact on community disability organization.**

# Public Acts 21 and 22 of 2019 – Auto No-Fault “Reform” Law

- ▶ Most globally impactful change: **No longer is everyone guaranteed lifetime coverage for “reasonably necessary products, services, and accommodations”**
  - ▶ Personal Injury Protection (PIP) Choice
    - ▶ Complete “opt out”
    - ▶ \$50,000, \$250,000, \$500,000 limits
    - ▶ Continued “lifetime benefits” option (**WARNING** – not what you think!)
  - ▶ Change (i.e., reduction) in covered citizens
    - ▶ Limited coverage through the “Assigned Claims”
- ▶ Other changes:
  - ▶ Increased liability (**you can now be sued!**),
  - ▶ utilization review,
  - ▶ anti-fraud unit,
  - ▶ **hourly limit on family provided care**

# Access to Care: The Most Egregious Impact of Reform Law

Tiered Medical “Fee Schedule”:

	<b>Services with Payable Medicare Codes</b>	<b>Services without Payable Medicare Codes</b>
	Reimbursement Capped at <i>Percentage of Medicare Reimbursement</i>	Reimbursement Capped at <i>Percentage of Provider's 2019 Charges</i>
July 2, 2021 – July 1, 2022	• 200%	• 55%
July 2, 2022– July 1, 2023	• 195%	• 54%
July 2, 2023–	• 190%	• 52.5%

# Services Impacted:

- ▶ Outpatient/clinical services – Fee cap system creates unreasonable uncertainty (inconsistent payments)
- ▶ Long-term care services – PIP Choice levels less than lifetime
- ▶ Services impacted by 55% rule:
  - ▶ Post-acute residential programs
    - ▶ Short-term/transitional and long-term care
  - ▶ Vocational services/Return to work programs
  - ▶ Day treatment programs
  - ▶ Continuous in-home healthcare
    - ▶ Private duty care
    - ▶ Nursing

# Crisis in Care

## ▶ MPHI Studies:

### ▶ 209 Organizations:

- ▶ 6,857 discharges
- ▶ 4,082 jobs lost
- ▶ 24 closures in the next 12 months

### ▶ 498 Individuals:

- ▶ 78% of respondents reported a loss of services
- ▶ Nearly 10% of respondents have been hospitalized 1 to 8 times, directly related to loss of services brought on by no fault reform
- ▶ Over 1/3 of respondents reported an impact in their rehabilitation progress, increased medical needs, and/or increased behavioral needs
- ▶ 6 deaths were reported
- ▶ 20% of respondents have applied for Medicaid assistance
- ▶ 43% fewer patients are able to maintain full-time employment, as they have no one to get them up, groomed and transported to work, or remain there to toilet them

# Advocacy Efforts:

- ▶ Coalition of Partners
  - ▶ MBIPC
  - ▶ CPAN
  - ▶ BIAMI
  - ▶ We Can't Wait
  - ▶ Interfaith Coalition
- ▶ Broad Supporters:
  - ▶ The Christopher and Dana Reeve Foundation
  - ▶ League of Michigan Bicyclists
  - ▶ Michigan Home Care and Hospice Association
  - ▶ The Michigan Assisted Living Association
  - ▶ Disability Rights Michigan
  - ▶ Disability Network/Michigan
  - ▶ Michigan Developmental Disabilities Council
  - ▶ Michigan League for Public Policy
  - ▶ The Michigan Long Term Care Ombudsman Program

# Advocacy Efforts:

- ▶ Media Coverage
  - ▶ Over 1,100 news stores state-wide (in all markets)
    - ▶ Craine's Detroit, Michigan Radio, Detroit News, Traverse City Record-Eagle, Fox 17 (Grand Rapids)
  - ▶ Editorials from Traverse City Record-Eagle and Crain's Detroit Business
- ▶ Legislative Solutions Introduced
  - ▶ HB 4486/SB 319, HB 5125, HB 4992, HB 5698
- ▶ Legal Cases
  - ▶ Andary vs. Citizens – challenges the constitutionality (state level) of applying the fee schedule and family provided attendant care to people injured before the law
    - ▶ Supreme Court will hear case in March
  - ▶ Healthcall Detroit vs. State Farm – challenges the constitutionality (federal level) of the fee schedule's impact on ability for businesses to continue to operate



## What's next?

- ▶ Andary lawsuit at the Supreme Court
- ▶ November 8 election
- ▶ Continued need for issue awareness and advocacy

## Impact for Community Providers

- ▶ More people injured in car crashes will be reliant on public programs
  - ▶ Case Management/Coordination
  - ▶ Vocational services
  - ▶ Housing
  - ▶ Long-term care/life planning

# Conclusion and Questions

- ▶ What's at stake?
  - ▶ Rehab and care of current and future people injured in a car crash
  - ▶ Economic impact and social welfare programs
- ▶ Get involved:
  - ▶ Join a coalition partner (MBIPC, BIAMI, CPAN, We Can't Wait, Interfaith Coalition)
  - ▶ Raise awareness of the issue
  - ▶ Advocate - engage with your legislators

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