



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”:

	Services with Payable Medicare Codes	Services without Payable Medicare Codes
	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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