



Legislation Details (With Text)

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Title: Resolution in Support of Michigan House Bill 5931

Sponsors: Elizabeth Nelson, Travis Radina

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Resolution in Support of Michigan House Bill 5931

Whereas, The Michigan No-Fault Auto Insurance Reform Act of 2019 enacted medical fee schedule changes effective July 1, 2021 that imposed severe restrictions on reimbursement rates for providers of crucial medical care for motor vehicle crash victims;

Whereas, Reimbursement for post-acute rehabilitation care, in-home health care, transportation and other crucial services that do not have Medicare billing codes were capped at 55% of what providers were charging for those services on January 1, 2019;

Whereas, As a result, more than 18,000 Michigan residents with severe brain, spinal cord and other catastrophic injuries, including many thousands in Washtenaw County, have found it impossible to obtain all necessary care that they need for basic survival;

Whereas, Dozens of health care and rehabilitation providers have gone out of business, leaving thousands of skilled health care workers unemployed;

Whereas, In many cases, there has been nowhere else for desperate injured survivors to go but to hospitals, which are already severely strained attempting to cope with record numbers of COVID-19 patients;

Whereas, Protection for the catastrophically injured has been eroded further by the recent announcement that the Michigan Catastrophic Claims Association (MCCA), established by law to provide reimbursement to no-fault insurance companies for medical claims paid in excess of coverage, will be refunding \$3 billion from current surpluses being held in the MCCA Trust Fund to policyholder;

Whereas, Despite assurances when the 2019 Act was passed that the law would be fixed later, if

necessary, this has not happened; and

Whereas, Michigan House Bill 5931 has been introduced to fully repeal the 2019 Act in order to reinstate reimbursement for the continued post-acute care of auto crash survivors and eliminate other problematic aspects of the current insurance law;

RESOLVED, That the City of Ann Arbor strongly endorses House Bill 5931 and urges the Michigan Legislature to amend the Michigan No-Fault Auto Insurance Reform Act of 2019 to correct identified deficiencies in the reimbursement cap for services rendered to motor vehicle crash survivors and the Michigan Catastrophic Claims Association to preserve adequate surpluses in the MCCA Trust Fund for the protection of catastrophically injured victims; and

RESOLVED, That the City Administrator forward this Resolution to the Governor, State Senate Majority and Minority Leaders, State House Speaker and Minority Leader, members of the Washtenaw County Legislative delegation and the Michigan Catastrophic Claims Association.

Sponsored by: Councilmembers Nelson and Radina