



Legislation Text

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Resolution Urging the Michigan Legislature to Amend the Michigan No-Fault Auto Insurance Reform Act of 2019

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 thousand 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, During the current legislative session, several House and Senate bills have been introduced to offer long-term, budget-neutral solutions enabling the continued care of auto crash survivors without changing other aspects of the insurance law, including consumer cost protections;

Whereas, Despite assurances when the 2019 Act was passed that the law would be fixed later, if necessary, none of those introduced bills have even received a hearing; and

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 policyholders;

RESOLVED, That the City of Ann Arbor City Council strongly 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; and

RESOLVED, That copies of this Resolution be forwarded 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, Griswold, and Hayner