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## CPAN Analysis of Senate Bill 248

### A Last Minute Substitute

- Rushing through a 62 page bill hours after the substitute language was introduced is no way to craft good public policy. There is no way members were able to read this language and know what they were voting on.
- CPAN has been making progress in its discussions with the insurance industry addressing fraud and increasing accountability in family-provided attendant care. Rushing through legislation before anyone can read it does not advance these discussions.

### Workers Compensation

- Serious auto accidents can be among the most costly medical services that hospitals provide. Treating auto accident victims requires trauma centers with on-call physicians and other professionals, technical equipment, and extra capacity for operating rooms and critical care beds, among other needs.
- Senate Bill 248 seeks to apply Workers Compensation fee schedules for health care provided under the auto no-fault system, yet it is not designed to meet the needs of catastrophic injuries.
- The Chicago Tribune recently reported that Workers Compensation system is failing injured people. This system will not work for Michigan's most seriously injured accident survivors:  
*"an investigation by ProPublica and National Public Radio found that 33 states have passed workers' comp laws that have reduced benefits or made it more difficult for those with certain injuries and diseases to qualify for benefits. It also found that employers and insurers increasingly control medical decisions, such as whether an injured worker needs surgery." – Chicago Tribune, March 4, 2015*
- The Workers Compensation fee schedule in SB 248 will severely limit the recovery of auto accident survivors because it does not typically cover severe injuries such as traumatic brain injury or spinal cord injuries that are outcomes of automobile accidents, often with multi-trauma and neuro-trauma complications. If these injuries are not covered, services for people who have sustained major injuries will disappear.

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### **A New Catastrophic Claims Entity**

- The legislature should not be rushing to create a new catastrophic claims authority until we open up the existing Michigan Catastrophic Claims Association to transparency. We need to understand the MCCA's finances before the state creates a new organization.
- There are several important questions that must be answered about the creation of the proposed MCCC. These include:
  - Is it subject to laws of the state with respect to insurers?
  - What type of non-profit status will the entity have?
  - What is the nature of the relationship between the new MCCA and the claimants? Will this entity act as an adjuster?
  - How will the financial stability of the organization be guaranteed?
  - How can we guarantee there will be sufficient initial funding to promptly adjudicate and pay for claims during the initial year of operation?
  - Who determines the reasonableness of fees and terms in any contract between the existing MCCA and the new claims organization, and who determines that the fees are in conformity with customary account practices and consistently applied?

### **Family Provided Attendant Care**

- We are also seeking better accountability in the area of family provided attendant care.
- Our proposal includes physician-directed care plans that will be reviewed periodically to ensure the patient's care and wellbeing are first a priority.
- Caregiver training should be required prior to the patient's discharge to their home.
- The 20% - up to \$200 monthly co-pay on attendant care will be a significant financial hardship for many families that have already given up jobs to provide care for their loved ones, or for those injured and no longer able work.

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- Imposing a \$15 hour limit for in home provided care regardless of skill level does not make sense. Care required for those severely injured often requires high degree of skill and training. It would cost far more per hour to retain outside assistance for this level of care.
- Any bill that addresses family provided care should include these provisions.

### **Fraud Authority**

- CPAN's goal is that of a fair and balanced fraud authority.
- Insurance company tactics of delaying, denying and defending against legitimate injury claims is well documented.
- The unfair practice of insurance companies' use of IME's - needs reform. Allowing a doctor, hired by an insurance company, to have the ability to cut off no-fault benefits after meeting with a patient for 20 minutes as opposed to relying on the input of multiple personal physicians and providers that regularly care for the patient is deplorable.
- The hearing on SB 248 did not address whether the proposed fraud authority would equally investigate fraud committed by individuals as well as insurance companies that purposefully deny legitimate claims.

**Again, we urge our legislators to call on the full Senate to take time to perform its due diligence and undertake a process that ensures robust feedback on this critical issue.**

**SB 248 DOES NOTHING TO GUARENTEE RATE SAVING TO CONSUMERS!**

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