

CPAN Analysis of Senate Bill 248, as Passed by the House Insurance Committee

The following outlines the major provisions of Senate Bill (SB) 248 (H-3) and highlights some of the items of greatest concern to the Coalition Protecting Auto No-Fault (CPAN).

LACKS REAL SAVINGS FOR DRIVERS

SB 248 (H-3) drastically cuts health care for the survivors of catastrophic accidents in exchange for a two-year \$100 per-vehicle premium reduction. The temporary reduction does nothing to increase affordability for drivers in Detroit, who are paying upwards of \$3,000-5,000 per year on their insurance policies.

REDUCES REIMBURSEMENTS

SB 248 (H-3) would significantly reduce reimbursements to medical providers by enforcing an artificial, government mandated, price cap of 150% of Medicare fees on providers treating auto injuries. Hospitals across the state stand to lose tens of millions of dollars each.

CREATES NEW, ONE-SIDED FRAUD AUTHORITY

SB 248 (H-3) creates a new insurance fraud authority that purports to address so-called fraud in the auto no-fault insurance system. The Fraud Authority is only charged with investigating fraud committed AGAINST an insurance company, not fraud, acts of deceit and unfair claims practices perpetrated BY insurance companies against the public.

CAPS REIMBURSEMENT FOR FAMILY-PROVIDED ATTENDANT CARE

SB 248 (H-3) would limit attendant care benefits to catastrophically injured patients who are cared for at home by: imposing an hourly rate cap of \$15 per hour for care provided by family or household members, regardless of level of care; and capping attendant care at a cumulative total of 24 hours per day (regardless of need), unless approved through an undefined, unexplained “medical review” process.

CREATES NEW, AMBIGUOUS CATASTROPHIC CLAIMS COMMISSION

SB 248 (H-3) would create a new catastrophic claims commission: the “Michigan Catastrophic Claims Commission” or “MC3.” The MC3 will assume “100% of all liability” for the losses over and above the monetary threshold for catastrophic claims. This is a drastic change from the current law, and there are no protections in the event the MC3 goes insolvent.

INCLUDES APPROPRIATION WHICH REMOVES CITIZEN’S RIGHT TO VOTE

SB 248 includes a \$150,000 appropriation, which disqualifies the bill from being subject to a public referendum. There is no other reason to add an appropriation to the bill than to deny voters' rights.

A Rushed, Poorly Drafted Bill, Without Real Cost-Saving Reforms

SB 248 (H-3) provides no real, long-term rate-relief for drivers, and is likely to shift the cost of caring for catastrophically injured individuals to taxpayer-funded programs such as Medicaid.