



NEWS RELEASE

WAYNE COUNTY COMMISSION

Office of Public Information

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Release Date: Dec. 16, 2021

Wayne County Commission urges reform to state's new no fault auto insurance law

Wayne County Commissioners today unanimously approved a resolution introduced by Commission Vice-Chair Joseph Palamara (D-Grosse Ile) calling for reforms to Michigan's newly adopted no fault auto insurance law.

While the new law makes it less costly for Michigan residents to obtain auto insurance, it also places new caps on reimbursements to those seriously injured in auto crashes.

"As a result, there are some 18,000 Michigan residents, including many here in Wayne County, who cannot get the kind of care they need," Commissioner Palamara said.

He also noted that while several reform proposals are under discussion in the Michigan Legislature none have thus far moved forward for action.

The resolution notes that the state's new no fault law, intended to lower auto insurance costs, limits reimbursement for rehabilitation care, in-home care and transportation for those suffering severe injuries, including brain and spinal cord injuries, as a result of auto crashes.

All 14 other commission members signed on as co-sponsors.

The resolution will be sent to Gov. Whitmer, legislative leaders from both parties, members of the county delegation to the Michigan Legislature and the Michigan Catastrophic Claims Association.

A copy of the resolution follows:

RESOLUTION No. 2021-815

By Commissioner Palamara and Co-sponsored by Commissioners Anderson, Basham, Baydoun, Bell, Clark-Coleman, Daub, Haidous, Killeen, Kinloch, Knezek, Marecki, Baker McCormick, Scott and Varga

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; and

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; and

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

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

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; and

WHEREAS, during the current legislative session, several House and Senate bills have been introduced that 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; and 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 policy holders. Now therefore be it

RESOLVED, on this 16th day of December, 2021 that the Wayne County Commission 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 Trust Fund for the protection of catastrophically injured victims; and be it further

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 Wayne County Legislative delegation and the Michigan Catastrophic Claims Association.