



LEGISLATIVE UPDATE

July 2017

On July 14, Gov. Rick Snyder approved the fiscal year (FY) 2018 omnibus budget bill during a special signing ceremony in Grand Rapids. **The FY 2018 budget fully protects the state funding necessary to continue the Healthy Michigan Plan, as well as \$163 million in graduate medical education and enhanced payments for obstetrics and small or rural hospitals.**

Attempt to Repeal the ACA Fails in Senate

A Senate GOP effort to repeal portions of the Affordable Care Act (ACA) failed to garner the support needed for passage in a vote that extended into the early morning hours Friday, July 28. Three Republicans — Sens. John McCain (R-Arizona), Susan Collins (R-Maine) and Lisa Murkowski (R-Alaska) — joined all 48 Democratic senators in rejecting the plan by a 49-51 vote.

“Throughout the Affordable Care Act debate this year, Michigan hospitals have repeatedly said that, if Congress is going to repeal the bill, they must couple that effort with a solid and responsible replacement plan that protects the healthcare coverage now available to 24 million Americans, including nearly a million in Michigan alone,” said MHA CEO Brian Peters in response to the Senate’s vote. “We see the positive impact that the Healthy Michigan Plan and the Affordable Care Act have on our patients, families and communities every day, and we simply could not support any of the bills coming out of Congress on this issue — they would have devastated the healthcare coverage and access to care for men, women and children in every county in this state.”

Brian Peters, MHA, stated, “We want to strengthen the health and well-being of Michigan residents, so our advocacy efforts have focused on looking at ways we can work with our elected officials to protect healthcare coverage and access to high-quality, affordable care.” “We hope the Trump administration and Congress will regroup and work with the healthcare community in Michigan and across the nation on repairs and refinements to the ACA that protect healthcare coverage and create a healthcare system that can stand the test of time.”

Once again, **Michigan’s Auto No-Fault System** is expected to be a hotly debated subject once Congress returns. In the interest of assuring that all MAHA members understand MHA’s position on this, please read the following article of interest.

As an advocate for Michigan hospitals and the patients they serve, the MHA is a strong proponent of Michigan's auto no-fault system. Michigan's auto no-fault insurance law has ensured needed medical and rehabilitation benefits for people injured in auto accidents since 1973. Without it, auto accident victims would not be able to afford the extensive care they require after traumatic injuries.

Michigan's auto no-fault system has been subject to numerous attacks in the Legislature in recent years. These attacks are funded and promoted by auto insurance companies and are about improving profits and stock valuation rather than protecting consumers and making meaningful reforms.

The MHA is open to participating in the political process and discussing reforms to the system, but from the perspective of Michigan hospitals, Michigan's no-fault law is about caring for patients and maintaining victims' access to care following a catastrophic auto accident.

Resources below can help you take action to protect people who suffer catastrophic injuries in auto accidents and ensure they have access to the care they need.

Auto No-fault Questions and Answers

[What do we need to do to get lower auto insurance rates in Michigan?](#)

For those caring for auto accident patients in our hospitals, Michigan's auto no-fault law is about making sure anyone injured as the result of an auto accident gets the care and services they need. However, we need to balance access to care with reducing premiums. To do that, the Michigan Health & Hospital Association has recommended the following courses of action on behalf of hospitals and the patients they serve:

- Establish an anti-fraud bureau to identify and reduce no-fault fraud and abuse.
- Create treatment guidelines for auto accident victims to reduce variation in care, improve patient outcomes and satisfaction, and reduce overuse and fraudulent claims.
- Allow senior citizens to be excluded from the medical portion of no-fault to avoid federal coverage mandates and allow Medicare to cover their needs.

It's important to note that no reform proposal has guaranteed savings or affordability for those who can least afford their premiums. It's always a good idea to read the fine print when it comes to changes to Michigan's no-fault law.

[What's behind the high cost of auto insurance in Michigan, especially Detroit?](#)

We know that both the frequency and severity of insurance claims related to auto accidents are higher in Detroit than elsewhere in Michigan. Since hospital prices are not, nor have they ever been, based on a patient's ZIP code, something other than hospitalization – like aggressive legal tactics, fraud and abuse – is leading to higher rates in Detroit. Rather than attack the benefits for survivors who truly need them, we should attack overuse, inappropriate care and fraudulent claims.

Is it true that hospitals bill insurance companies whatever they want when it comes to the medical costs for someone hurt in a car accident?

Each hospital in Michigan is responsible for setting its own prices for the services and care it provides. As required by federal law, hospitals must charge everyone – including auto insurers – the same amount. Where the difference occurs is what is accepted as payment once services are provided. For example, at Hospital A, the charge for an MRI for someone with health insurance through their employer cannot differ from the charge for the same MRI for someone who was involved in an auto accident. However, some insurers, including auto insurers, negotiate discounted rates with hospitals. Government payers like Medicare, Medicaid and workers' compensation set their own payment schedules, but these often do not cover the cost of care. In lieu of any kind of pre-existing agreement on payment, the full cost of the service would be expected at the time of payment.

If I have health insurance, why do I need to pay for no-fault car insurance, too?

States without no-fault provide significantly less coverage to accident survivors and take longer to provide compensation. In Michigan, the healthcare required following an auto accident – if care is needed – is often covered by the no-fault policy. This practice has also helped Michigan employers, who may opt to exclude or coordinate auto accident claims from health insurance benefits as a way to manage the cost for employee healthcare benefits.

For individuals with coverage through Medicare or Medicaid, federal laws require those programs to be secondary to any no-fault benefit required by the state. It is also important to note that Medicare does not cover services for auto accident victims such as long-term care, attendant care, replacement services, occupational therapy and other services currently available through the state's no-fault coverage.

What does my auto no-fault insurance cover beyond medical treatment?

Under Michigan's no-fault law, those injured as a result of an auto accident receive benefits from their auto insurance company regardless of who is at fault for the accident. In addition to medical expenses, no-fault provides the following benefits:

- Wage loss benefits – earnings that would have been collected had the accident survivor been able to work.
- Replacement services – routine services that a car accident survivor may not be able to do on their own, such as child care, household chores and yard work.
- Attendant care – long-term care in nursing or foster homes or in-home nursing care provided by medical staff or a family member.
- Home and vehicle modification – changes made to homes or cars to accommodate a disabling injury.

It's important to note that the coverage available through no-fault beyond medical expenses is not typically available through health insurance policies. Also, no-fault covers all family members in the same household, even if that family member is riding in someone else's car or involved in a car accident while walking or biking.

How can I make sure elected officials address the high cost of auto insurance without taking away the medical coverage I need if I'm seriously hurt in an auto accident?

Write to your representatives in the Michigan House and/or Senate and tell them that limiting medical care to people who suffer catastrophic injuries as the result of an auto accident is not a sensible path to lowering auto insurance rates in Detroit or anywhere else in Michigan.

For help identifying and contacting your elected officials, visit the [MHA Legislative Action Center](#).