

# SENATE BILL No. 294

March 24, 2011, Introduced by Senator HUNE and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 3107 and 3157 (MCL 500.3107 and 500.3157),  
section 3107 as amended by 1991 PA 191.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3107. (1) ~~Except as provided in subsection (2), personal~~  
2       **PERSONAL** protection insurance benefits are payable for the  
3       following:

4       (a) Allowable expenses consisting of all reasonable charges  
5       incurred for reasonably necessary products, services, and  
6       accommodations for an injured person's care, recovery, or  
7       rehabilitation. ~~Allowable~~ **ALL OF THE FOLLOWING APPLY TO ALLOWABLE**  
8       expenses within personal protection insurance coverage: ~~shall~~

9       (i) **SHALL** not include charges for a hospital room in excess of

1 a reasonable and customary charge for semiprivate accommodations  
2 except if the injured person requires special or intensive care. ~~7~~  
3 ~~or~~

4 (ii) SHALL NOT INCLUDE CHARGES for funeral and burial expenses  
5 in EXCESS OF the amount set forth in the policy which shall not be  
6 less than \$1,750.00 or more than \$5,000.00.

7 (iii) FOR ATTENDANT CARE OR NURSING SERVICES PROVIDED IN THE  
8 INJURED PERSON'S HOME, ALL OF THE FOLLOWING APPLY:

9 (A) PAYMENT IS LIMITED TO 56 HOURS PER WEEK FOR SERVICES  
10 PERFORMED BY AN INDIVIDUAL WHO IS NOT CERTIFIED, REGISTERED, OR  
11 LICENSED TO RENDER ATTENDANT CARE OR NURSING SERVICES.

12 (B) PAYMENT FOR SERVICES PERFORMED BY AN INDIVIDUAL WHO IS NOT  
13 CERTIFIED, REGISTERED, OR LICENSED TO RENDER ATTENDANT CARE OR  
14 NURSING SERVICES SHALL NOT BE MADE IN EXCESS OF \$11.00 PER HOUR FOR  
15 BASIC CARE OR IN EXCESS OF \$17.00 PER HOUR FOR SKILLED CARE, AND  
16 PAYMENT FOR SERVICES PERFORMED BY AN INDIVIDUAL WHO IS CERTIFIED,  
17 REGISTERED, OR LICENSED TO RENDER ATTENDANT CARE OR NURSING  
18 SERVICES SHALL NOT BE MADE IN EXCESS OF \$17.00 PER HOUR. BEGINNING  
19 OCTOBER 1, 2011, THESE MAXIMUMS SHALL BE ADJUSTED ANNUALLY TO  
20 REFLECT CHANGES IN THE COST OF LIVING UNDER THE RULES PRESCRIBED BY  
21 THE COMMISSIONER UNDER SUBDIVISION (B) FOR ANNUAL INCREASES IN WORK  
22 LOSS PAYMENTS. ANY CHANGE IN THE MAXIMUMS SHALL APPLY ONLY TO  
23 SERVICES RENDERED AFTER THE EFFECTIVE DATE OF THE CHANGE IN THE  
24 MAXIMUM.

25 (b) ~~Work~~ EXCEPT AS PROVIDED IN SUBSECTION (2), WORK loss  
26 consisting of loss of income from work an injured person would have  
27 performed during the first 3 years after the date of the accident

1 if he or she had not been injured. Work loss does not include any  
2 loss after the date on which the injured person dies. Because the  
3 benefits received from personal protection insurance for loss of  
4 income are not taxable income, the benefits payable for such loss  
5 of income shall be reduced 15% unless the claimant presents to the  
6 insurer in support of his or her claim reasonable proof of a lower  
7 value of the income tax advantage in his or her case, in which case  
8 the lower value shall apply. ~~Beginning March 30, 1973~~ **FOR THE**  
9 **PERIOD BEGINNING OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011**, the  
10 benefits payable for work loss sustained in a single 30-day period  
11 and the income earned by an injured person for work during the same  
12 period together shall not exceed ~~\$1,000.00~~ **\$4,929.00**, which maximum  
13 shall apply pro rata to any lesser period of work loss. Beginning  
14 October 1, ~~1974~~ **2011**, the maximum shall be adjusted annually to  
15 reflect changes in the cost of living under rules prescribed by the  
16 commissioner but any change in the maximum shall apply only to  
17 benefits arising out of accidents occurring subsequent to the date  
18 of change in the maximum.

19 (c) Expenses not exceeding \$20.00 per day, reasonably incurred  
20 in obtaining ordinary and necessary services in lieu of those that,  
21 if he or she had not been injured, an injured person would have  
22 performed during the first 3 years after the date of the accident,  
23 not for income but for the benefit of himself or herself or of his  
24 or her dependent.

25 (2) A person who is 60 years of age or older and in the event  
26 of an accidental bodily injury would not be eligible to receive  
27 work loss benefits under subsection (1)(b) may waive coverage for

work loss benefits by signing a waiver on a form provided by the insurer. An insurer shall offer a reduced premium rate to a person who waives coverage under this subsection for work loss benefits. Waiver of coverage for work loss benefits applies only to work loss benefits payable to the person or persons who have signed the waiver form.

(3) AS USED IN THIS SECTION:

(A) "BASIC CARE" MEANS ANY OF THE FOLLOWING:

(i) PROVIDING PERSONAL CARE SERVICES, INCLUDING, BUT NOT LIMITED TO, BATHING, SHAMPOOING, SKIN CARE, ORAL HYGIENE, SHAVING MALE PATIENTS, CATHETER CARE, AND TOILETING ASSISTANCE, INCLUDING URINAL AND BEDPAN ASSISTANCE.

(ii) MEASURING AND DOCUMENTING VITAL SIGNS.

(iii) PROVIDING OR ASSISTING WITH EXERCISE, AMBULATION, OR POSITIONING AS DIRECTED BY A NURSE OR THERAPIST, INCLUDING AMBULATION WITH OR WITHOUT ASSISTIVE DEVICES, BASIC RANGE OF MOTION BOTH PASSIVE AND ACTIVE, LIGHT PIVOT TRANSFERS, AND ASSISTING FROM BED, CHAIR, OR COMMODE.

(iv) PROVIDING ENVIRONMENTAL AND HOMEMAKING SERVICES, INCLUDING BED-MAKING WHETHER OCCUPIED OR UNOCCUPIED, LIGHT HOUSEKEEPING TO MAINTAIN A HEALTHY ENVIRONMENT, LAUNDERING OF BEDDING AND CLOTHING, SHOPPING FOR GROCERIES, AND TRANSPORTATION AS NECESSARY.

(v) ASSISTING WITH SELF-ADMINISTERED MEDICATIONS.

(B) "SKILLED CARE" MEANS PROVIDING BASIC CARE SERVICES AND ANY OF THE FOLLOWING:

(i) PERFORMING INTERMITTENT STRAIGHT CATHETERIZATION, CATHETER PERINEAL CARE, AND COLOSTOMY CARE AS DIRECTED.

1           (ii) PERFORMING A BOWEL PROGRAM UNDER THE DIRECTION OF A  
2 REGISTERED NURSE.

3           (iii) PERFORMING TUBE FEEDINGS AND SIMPLE WOUND CARE UNDER THE  
4 DIRECTION OF A REGISTERED NURSE.

5           (iv) PERFORMING FULL 1-PERSON TRANSFERS AND TRANSFERS USING A  
6 HOYER LIFT.

7           Sec. 3157. (1) ~~A~~SUBJECT TO SUBSECTION (2), A physician,  
8 hospital, clinic, or other person or institution lawfully rendering  
9 treatment to an injured person for an accidental bodily injury  
10 covered by personal protection insurance, and a person or  
11 institution providing rehabilitative occupational training  
12 following the injury, may charge a reasonable amount for the  
13 products, services, and accommodations rendered. The charge shall  
14 not exceed the amount the person or institution customarily charges  
15 for like products, services, and accommodations in cases not  
16 involving PERSONAL PROTECTION insurance.

17           (2) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
18 INSTITUTION LAWFULLY RENDERING TREATMENT TO AN INJURED PERSON FOR  
19 AN ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION  
20 INSURANCE, OR A PERSON OR INSTITUTION PROVIDING REHABILITATIVE  
21 OCCUPATIONAL TRAINING FOLLOWING THE INJURY, IS LIMITED TO, AND  
22 SHALL BE PAID BY THE AUTOMOBILE INSURER AT, AN AMOUNT THAT DOES NOT  
23 EXCEED THE AMOUNT PAID FOR TREATMENT, SERVICE, ACCOMMODATION, AND  
24 MEDICINE PURSUANT TO PAYMENT UNDER, OR SCHEDULES OF MAXIMUM FEES  
25 FOR WORKER'S COMPENSATION DEVELOPED PURSUANT TO, R 418.10101 TO R  
26 418.101504 OF THE MICHIGAN ADMINISTRATIVE CODE. THE COMMISSIONER  
27 SHALL EXAMINE CHANGES TO R 418.10101 TO R 418.101504 OF THE

1 MICHIGAN ADMINISTRATIVE CODE MADE AFTER THE EFFECTIVE DATE OF THE  
2 AMENDATORY ACT THAT ADDED THIS SUBSECTION. IF THE COMMISSIONER  
3 FINDS THAT THOSE CHANGES FURTHER THE GOAL OF PROVIDING AFFORDABLE  
4 AUTOMOBILE INSURANCE RATES, THOSE CHANGES SHALL APPLY TO THIS  
5 SECTION AND THE COMMISSIONER SHALL ISSUE AN ORDER TO THIS EFFECT.  
6 AN INSURER PROVIDING PERSONAL PROTECTION INSURANCE BENEFITS SHALL  
7 PROVIDE AN APPROPRIATE PREMIUM THAT REFLECTS THE SAVINGS OBTAINED  
8 BY THE INSURER BY THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

9 Enacting section 1. This amendatory act applies to products,  
10 services, and accommodations that are provided on and after 90 days  
11 after the effective date of this amendatory act, but does not  
12 affect any obligation under a written agreement or consent judgment  
13 entered into before the effective date of this amendatory act.