

**FY 2020-21 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: House Floor Substitute**  
**Senate Bill 28 (H-1)**



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**Overview**

Senate Bill 28 (H-1) contains a supplemental appropriation adjustment for the Department of Insurance and Financial Services budget for FY 2020-21. The bill appropriates \$10.0 million GF/GP for deposit into the Post-Acute Auto Injury Provider Relief Fund.

Appropriation and boilerplate initiated by the legislature are identified following this overview.

**FY 2020-21 APPROPRIATIONS SUMMARY**

Budget Area		FY 2020-21 Year-to-Date Appropriations	FY 2020-21 Supplemental Change	% Change
Insurance and Financial Services	Gross	\$73,315,700	\$10,000,000	13.6
	GF/GP	\$0	\$10,000,000	--
<b>TOTAL</b>	<b>Gross</b>	<b>\$73,315,700</b>	<b>\$10,000,000</b>	<b>13.6</b>
	<b>GF/GP</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>--</b>

**FY 2020-21 Supplemental Appropriation Items**

**Appropriation  
Change**

**INSURANCE AND FINANCIAL SERVICES**

**1. Post-Acute Auto Injury Provider Relief Fund**

Includes \$10.0 million GF/GP to be deposited into the Post-Acute Auto Injury Provider Relief Fund, which would be used to provide payments, on a first-come, first-serve application basis, to post-acute brain and spinal injury facilities and attendant care providers to offset structural losses that may occur due to revisions to Michigan's no-fault auto insurance.

**Gross**      **\$10,000,000**  
**GF/GP**      **\$10,000,000**

**FY 2020-21 Supplemental Boilerplate Items**

**GENERAL SECTIONS**

**Sec. 201. State Spending and State Appropriations Paid to Local Units of Government**

Estimates total state spending from state sources and payments to be made to local units of government.

**Sec. 202. Appropriations Subject to Management and Budget Act**

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

**Sec. 203. State Administrative Board Transfers**

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

## **FY 2020-21 Supplemental Boilerplate Items**

### **INSURANCE AND FINANCIAL SERVICES**

#### **Sec. 301. Post-Acute Auto Injury Provider Relief Fund**

- (1) Creates the Post-Acute Auto Injury Provider Relief Fund within the Department of Treasury.
- (2) Requires \$10.0 million appropriation to be deposited into the fund.
- (3) Appropriates money in the fund for expenditures, which are limited to specified purposes, and authorizes no more than \$500,000 to be expended by the department for administrative expenses.
- (4) Requires interest and earnings from investment of money in the fund to be deposited into the general fund.
- (5) Authorizes a provider to receive a distribution from the fund only if the charge pertains to a service that does not have a Medicare code and the provider can demonstrate that fees under section 3157 of the Insurance Code caused the provider to bill at rates that are below the cost of providing the service, and outlines materials the provider is required to submit with an application, which include number of patients treated and entities billed for each patient, lists of charges and supporting invoices for all charges, evidence supporting a provider's attempt to bill for a service, documentation indicating a good-faith effort to alter business practices to adhere to section 3157 of the Insurance Code, documentation indicating a systematic deficit caused by changes to charges required by section 3157 of the Insurance Code, and any other information the department considers necessary.
- (6) Prohibits providers with a new license or providers that reincorporate under a new name after January 1, 2020 from being eligible to receive disbursements from the fund.
- (7) Requires DIFS to administer the fund and application process, including developing the application and review process and developing a process to retrieve any money distributed from the fund that is later determined to have been distributed as a result of fraudulent conditions.
- (8) Requires DIFS to submit a quarterly report to the legislature on the number of providers that have applied for funding, a list of providers that have been approved for funding, amounts of funding awarded, a list of providers that have been denied funding and the reasons for denial, and metrics on all charges and payments received.
- (9) Requires DIFS to submit a separate report with aggregate data reported in quarterly reports and an analysis of the impact of section 3157 of the Insurance Code.
- (10) Expresses legislative intent that information from the reports under subsections (8) and (9) will be used to determine if changes to section 3157 of the Insurance Code are needed.
- (11) Stipulates that a provider that avails itself of the fund does so as the provider's exclusive remedy and foregoes all other forms of recovery for charges for which reimbursement is sought.
- (12) Designates unexpended funds as work project appropriations for a 1-year period at the conclusion of FY 2020-21, with any unexpended funding lapsing to the general fund.
- (13) Defines "department", "fund", "patient", and "provider".