

SENATE BILL NO. 946

March 02, 2022, Introduced by Senators GEISS, CHANG, POLEHANKI, ALEXANDER, IRWIN, BRINKS, MOSS, BAYER, ANANICH, MCCANN, HERTEL and WOZNIAK and referred to the Committee on Insurance and Banking.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3157 (MCL 500.3157), as amended by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3157. (1) Subject to subsections (2) to (14), a
2 physician, hospital, clinic, or other person that lawfully renders
3 treatment to an injured person for an accidental bodily injury
4 covered by personal protection insurance, or a person that provides
5 rehabilitative occupational training following the injury, may
6 charge a reasonable amount for the treatment or training. The
7 charge must not exceed the amount the person customarily charges

1 for like treatment or training in cases that do not involve
2 insurance.

3 (2) Subject to subsections (3) to (14), a physician, hospital,
4 clinic, or other person that renders **medical** treatment or
5 rehabilitative occupational training to an injured person for an
6 accidental bodily injury covered by personal protection insurance
7 is not eligible for payment or reimbursement under this chapter for
8 more than the following:

9 (a) For **medical** treatment or training rendered after July 1,
10 2021 and before July 2, 2022, 200% of the amount payable to the
11 person for the **medical** treatment or training under Medicare.

12 (b) For **medical** treatment or training rendered after July 1,
13 2022 and before July 2, 2023, 195% of the amount payable to the
14 person for the **medical** treatment or training under Medicare.

15 (c) For **medical** treatment or training rendered after July 1,
16 2023, 190% of the amount payable to the person for the **medical**
17 treatment or training under Medicare.

18 (3) Subject to subsections (5) to (14), a physician, hospital,
19 clinic, or other person identified in subsection (4) that renders
20 **medical** treatment or rehabilitative occupational training to an
21 injured person for an accidental bodily injury covered by personal
22 protection insurance is eligible for payment or reimbursement under
23 this chapter of not more than the following:

24 (a) For **medical** treatment or training rendered after July 1,
25 2021 and before July 2, 2022, 230% of the amount payable to the
26 person for the **medical** treatment or training under Medicare.

27 (b) For **medical** treatment or training rendered after July 1,
28 2022 and before July 2, 2023, 225% of the amount payable to the
29 person for the **medical** treatment or training under Medicare.

1 (c) For **medical** treatment or training rendered after July 1,
2 2023, 220% of the amount payable to the person for the **medical**
3 treatment or training under Medicare.

4 (4) Subject to subsection (5), subsection (3) only applies to
5 a physician, hospital, clinic, or other person if either of the
6 following applies to the person rendering the **medical** treatment or
7 training:

8 (a) On July 1 of the year in which the person renders the
9 **medical** treatment or training, the person has 20% or more, but less
10 than 30%, indigent volume determined pursuant to the methodology
11 used by the department of health and human services in determining
12 inpatient medical/surgical factors used in measuring eligibility
13 for Medicaid disproportionate share payments.

14 (b) The person is a freestanding rehabilitation facility. Each
15 year the director shall designate not more than 2 freestanding
16 rehabilitation facilities to qualify for payments under subsection
17 (3) for that year. As used in this subdivision, "freestanding
18 rehabilitation facility" means an acute care hospital to which all
19 of the following apply:

20 (i) The hospital has staff with specialized and demonstrated
21 rehabilitation medicine expertise.

22 (ii) The hospital possesses sophisticated technology and
23 specialized facilities.

24 (iii) The hospital participates in rehabilitation research and
25 clinical education.

26 (iv) The hospital assists patients to achieve excellent
27 rehabilitation outcomes.

28 (v) The hospital coordinates necessary post-discharge
29 services.

1 (vi) The hospital is accredited by 1 or more third-party,
2 independent organizations focused on quality.

3 (vii) The hospital serves the rehabilitation needs of
4 catastrophically injured patients in this state.

5 (viii) The hospital was in existence on May 1, 2019.

6 (5) To qualify for a payment under subsection (4) (a), a
7 physician, hospital, clinic, or other person shall provide the
8 director with all documents and information requested by the
9 director that the director determines are necessary to allow the
10 director to determine whether the person qualifies. The director
11 shall annually review documents and information provided under this
12 subsection and, if the person qualifies under subsection (4) (a),
13 shall certify the person as qualifying and provide a list of
14 qualifying persons to insurers and other persons that provide the
15 security required under section ~~3101(1)~~. **3101**. A physician,
16 hospital, clinic, or other person that provides 30% or more of its
17 total **medical** treatment or training as described under subsection
18 (4) (a) is entitled to receive, instead of an applicable percentage
19 under subsection (3), 250% of the amount payable to the person for
20 the **medical** treatment or training under Medicare.

21 (6) Subject to subsections (7) to (14), a hospital that is a
22 level I or level II trauma center that renders **medical** treatment to
23 an injured person for an accidental bodily injury covered by
24 personal protection insurance, if the **medical** treatment is for an
25 emergency medical condition and rendered before the patient is
26 stabilized and transferred, is not eligible for payment or
27 reimbursement under this chapter of more than the following:

28 (a) For **medical** treatment rendered after July 1, 2021 and
29 before July 2, 2022, 240% of the amount payable to the hospital for

1 the **medical** treatment under Medicare.

2 (b) For **medical** treatment rendered after July 1, 2022 and
3 before July 2, 2023, 235% of the amount payable to the hospital for
4 the **medical** treatment under Medicare.

5 (c) For **medical** treatment rendered after July 1, 2023, 230% of
6 the amount payable to the hospital for the **medical** treatment under
7 Medicare.

8 (7) If Medicare does not provide an amount payable for a
9 **medical** treatment or rehabilitative occupational training under
10 subsection (2), (3), (5), or (6), the physician, hospital, clinic,
11 or other person that renders the **medical** treatment or training is
12 not eligible for payment or reimbursement under this chapter of
13 more than the following, as applicable:

14 (a) For a person to which subsection (2) applies, the
15 applicable following percentage of the amount payable for the
16 **medical** treatment or training under the person's charge description
17 master in effect on January 1, 2019 or, if the person did not have
18 a charge description master on that date, the applicable following
19 percentage of the average amount the person charged for the **medical**
20 treatment on January 1, 2019:

21 (i) For **medical** treatment or training rendered after July 1,
22 2021 and before July 2, 2022, 55%.

23 (ii) For **medical** treatment or training rendered after July 1,
24 2022 and before July 2, 2023, 54%.

25 (iii) For **medical** treatment or training rendered after July 1,
26 2023, 52.5%.

27 (b) For a person to which subsection (3) applies, the
28 applicable following percentage of the amount payable for the
29 **medical** treatment or training under the person's charge description

1 master in effect on January 1, 2019 or, if the person did not have
2 a charge description master on that date, the applicable following
3 percentage of the average amount the person charged for the **medical**
4 treatment or training on January 1, 2019:

5 (i) For **medical** treatment or training rendered after July 1,
6 2021 and before July 2, 2022, 70%.

7 (ii) For **medical** treatment or training rendered after July 1,
8 2022 and before July 2, 2023, 68%.

9 (iii) For **medical** treatment or training rendered after July 1,
10 2023, 66.5%.

11 (c) For a person to which subsection (5) applies, 78% of the
12 amount payable for the **medical** treatment or training under the
13 person's charge description master in effect on January 1, 2019 or,
14 if the person did not have a charge description master on that
15 date, 78% of the average amount the person charged for the **medical**
16 treatment on January 1, 2019.

17 (d) For a person to which subsection (6) applies, the
18 applicable following percentage of the amount payable for the
19 **medical** treatment under the person's charge description master in
20 effect on January 1, 2019 or, if the person did not have a charge
21 description master on that date, the applicable following
22 percentage of the average amount the person charged for the **medical**
23 treatment on January 1, 2019:

24 (i) For **medical** treatment or training rendered after July 1,
25 2021 and before July 2, 2022, 75%.

26 (ii) For **medical** treatment or training rendered after July 1,
27 2022 and before July 2, 2023, 73%.

28 (iii) For **medical** treatment or training rendered after July 1,
29 2023, 71%.

1 (8) For any change to an amount payable under Medicare as
2 provided in subsection (2), (3), (5), or (6) that occurs after ~~the~~
3 ~~effective date of the amendatory act that added this subsection,~~
4 **June 11, 2019**, the change must be applied to the amount allowed for
5 payment or reimbursement under that subsection. However, an amount
6 allowed for payment or reimbursement under subsection (2), (3),
7 (5), or (6) must not exceed the average amount charged by the
8 physician, hospital, clinic, or other person for the **medical**
9 treatment or training on January 1, 2019.

10 (9) An amount that is to be applied under subsection (7) or
11 (8), that was in effect on January 1, 2019, including any prior
12 adjustments to the amount made under this subsection, must be
13 adjusted annually by the percentage change in the medical care
14 component of the Consumer Price Index for the year preceding the
15 adjustment.

16 (10) For attendant care rendered in the injured person's home,
17 an insurer is only required to pay benefits for attendant care up
18 to the hourly limitation in section 315 of the worker's disability
19 compensation act of 1969, 1969 PA 317, MCL 418.315. This subsection
20 only applies if the attendant care is provided directly, or
21 indirectly through another person, by any of the following:

22 (a) An individual who is related to the injured person.

23 (b) An individual who is domiciled in the household of the
24 injured person.

25 (c) An individual with whom the injured person had a business
26 or social relationship before the injury.

27 (11) An insurer may contract to pay benefits for attendant
28 care for more than the hourly limitation under subsection (10).

29 (12) A neurological rehabilitation clinic is not entitled to

1 payment or reimbursement for a **medical** treatment ~~,or~~
2 **rehabilitative occupational** training ~~, product, service, or~~
3 ~~accommodation~~ unless the neurological rehabilitation clinic is
4 accredited by the Commission on Accreditation of Rehabilitation
5 Facilities or a similar organization recognized by the director for
6 purposes of accreditation under this subsection. This subsection
7 does not apply to a neurological rehabilitation clinic that is in
8 the process of becoming accredited as required under this
9 subsection on July 1, 2021, unless 3 years have passed since the
10 beginning of that process and the neurological rehabilitation
11 clinic is still not accredited.

12 (13) Subsections (2) to (12) do not apply to emergency medical
13 services rendered by an ambulance operation. As used in this
14 subsection:

15 (a) "Ambulance operation" means that term as defined in
16 section 20902 of the public health code, 1978 PA 368, MCL
17 333.20902.

18 (b) "Emergency medical services" means that term as defined in
19 section 20904 of the public health code, 1978 PA 368, MCL
20 333.20904.

21 (14) Subsections (2) to (13) apply to **medical** treatment or
22 rehabilitative occupational training rendered after July 1, 2021.
23 **Subsections (2) to (9) and (12) do not apply to nonmedical**
24 **products, services, and accommodations, as listed in subsection**
25 **(15) (f) .**

26 (15) As used in this section:

27 (a) "Charge description master" means a uniform schedule of
28 charges represented by the person as its gross billed charge for a
29 given service or item, regardless of payer type.

1 (b) "Consumer Price Index" means the most comprehensive index
2 of consumer prices available for this state from the United States
3 Department of Labor, Bureau of Labor Statistics.

4 (c) "Emergency medical condition" means that term as defined
5 in section 1395dd of the social security act, 42 USC 1395dd.

6 (d) "Level I or level II trauma center" means a hospital that
7 is verified as a level I or level II trauma center by the American
8 College of Surgeons Committee on Trauma.

9 (e) "Medicaid" means a program for medical assistance
10 established under subchapter XIX of the social security act, 42 USC
11 1396 to ~~1396w-5~~.1396w-6.

12 (f) **"Medical treatment" means a health care service rendered**
13 **by a medical, mental, or behavioral health professional. Medical**
14 **treatment does not include any of the following:**

15 (i) **Transportation services.**

16 (ii) **Modifications to a vehicle.**

17 (iii) **Food or housing.**

18 (iv) **Modifications to a residence.**

19 (v) **Guardianship services.**

20 (vi) **Case management services.**

21 (vii) **Durable medical equipment.**

22 (viii) **Prescriptions, medications, or pharmaceutical supplies.**

23 (ix) **Attendant care services, regardless of who renders those**
24 **services.**

25 (x) **Other similar nonmedical products, services, or**
26 **accommodations.**

27 (g) ~~(f)~~—"Medicare" means fee for service payments under part
28 A, B, or D of the federal Medicare program established under
29 subchapter XVIII of the social security act, 42 USC 1395 to 1395III,

1 without regard to the limitations unrelated to the rates in the fee
2 schedule such as limitation or supplemental payments related to
3 utilization, readmissions, recaptures, bad debt adjustments, or
4 sequestration.

5 **(h)** ~~(g)~~—"Neurological rehabilitation clinic" means a person
6 that provides post-acute brain and spinal rehabilitation care.

7 **(i)** ~~(h)~~—"Person", as provided in section 114, includes, but is
8 not limited to, an institution.

9 **(j)** ~~(i)~~—"Stabilized" means that term as defined in section
10 1395dd of the social security act, 42 USC 1395dd.

11 **(k)** ~~(j)~~—"Transfer" means that term as defined in section
12 1395dd of the social security act, 42 USC 1395dd.

13 **(l)** ~~(k)~~—"Treatment" includes, but is not limited to, products,
14 services, and accommodations.