

SENATE BILL NO. 947

March 02, 2022, Introduced by Senators MCMORROW, CHANG, GEISS, WOJNO, 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)~~, **(15)**, 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)~~, **(15)**, a physician,
4 hospital, clinic, or other person that renders 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 treatment or training rendered after July 1, 2021 and
10 before July 2, 2022, 200% of the amount payable to the person for
11 the treatment or training under Medicare.

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

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

18 (3) Subject to subsections (5) to ~~(14)~~, **(15)**, a physician,
19 hospital, clinic, or other person identified in subsection (4) that
20 renders 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 treatment or training rendered after July 1, 2021 and
25 before July 2, 2022, 230% of the amount payable to the person for
26 the treatment or training under Medicare.

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

1 (c) For treatment or training rendered after July 1, 2023,
2 220% of the amount payable to the person for the treatment or
3 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 treatment or
7 training:

8 (a) On July 1 of the year in which the person renders the
9 treatment or training, the person has 20% or more, but less than
10 30%, indigent volume determined pursuant to the methodology used by
11 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 treatment or training as described under subsection (4) (a) is
18 entitled to receive, instead of an applicable percentage under
19 subsection (3), 250% of the amount payable to the person for the
20 treatment or training under Medicare.

21 (6) Subject to subsections (7) to ~~(14)~~, **(15)**, a hospital that
22 is a level I or level II trauma center that renders treatment to an
23 injured person for an accidental bodily injury covered by personal
24 protection insurance, if the treatment is for an emergency medical
25 condition and rendered before the patient is stabilized and
26 transferred, is not eligible for payment or reimbursement under
27 this chapter of more than the following:

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

1 treatment under Medicare.

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

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

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

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

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

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

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

26 (b) For a person to which subsection (3) applies, the
27 applicable following percentage of the amount payable for the
28 treatment or training under the person's charge description master
29 in effect on January 1, 2019 or, if the person did not have a

1 charge description master on that date, the applicable following
2 percentage of the average amount the person charged for the
3 treatment or training on January 1, 2019:

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

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

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

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

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

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

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

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

29 (8) For any change to an amount payable under Medicare as

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

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

15 (10) For attendant care rendered in the injured person's home,
16 an insurer is only required to pay benefits for attendant care up
17 ~~to the hourly limitation in section 315 of the worker's disability~~
18 ~~compensation act of 1969, 1969 PA 317, MCL 418.315.~~ **56 hours per**
19 **week for care provided by a single individual.** This subsection only
20 applies if the attendant care is provided directly, or indirectly
21 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) The hourly limitation in subsection (10) only applies to**
28 **attendant care rendered by a single individual described in**
29 **subsection (10) (a) to (c). No such hourly limitation applies to**

1 limit the number of hours of attendant care services that must be
2 paid or reimbursed to a group of individuals described in
3 subsection (10) (a) to (c). Notwithstanding anything in this section
4 to the contrary, an insurer remains liable to reimburse individuals
5 described in subsection (10) (a) to (c) for reasonable charges for
6 all reasonably necessary attendant care services, in accordance
7 with section 3107(1) (a).

8 (12) ~~(11)~~—An insurer may contract to pay benefits for
9 attendant care for more than the hourly limitation under subsection
10 (10).

11 (13) ~~(12)~~—A neurological rehabilitation clinic is not entitled
12 to payment or reimbursement for a treatment ~~, or rehabilitative~~
13 **occupational** training ~~, product, service, or accommodation~~ unless
14 the neurological rehabilitation clinic is accredited by the
15 Commission on Accreditation of Rehabilitation Facilities or a
16 similar organization recognized by the director for purposes of
17 accreditation under this subsection. This subsection does not apply
18 to a neurological rehabilitation clinic that is in the process of
19 becoming accredited as required under this subsection on July 1,
20 2021, unless 3 years have passed since the beginning of that
21 process and the neurological rehabilitation clinic is still not
22 accredited.

23 (14) ~~(13)~~—Subsections (2) to ~~(12)~~—(13) do not apply to
24 emergency medical services rendered by an ambulance operation. As
25 used in this subsection:

26 (a) "Ambulance operation" means that term as defined in
27 section 20902 of the public health code, 1978 PA 368, MCL
28 333.20902.

29 (b) "Emergency medical services" means that term as defined in

1 section 20904 of the public health code, 1978 PA 368, MCL
2 333.20904.

3 **(15)** ~~(14)~~ Subsections (2) to ~~(13)~~ **(14)** apply to treatment or
4 rehabilitative occupational training rendered after July 1, 2021.

5 **(16)** ~~(15)~~ As used in this section:

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

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

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

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

17 (e) "Medicaid" means a program for medical assistance
18 established under subchapter XIX of the social security act, 42 USC
19 1396 to ~~1396w-5~~. **1396w-6**.

20 (f) "Medicare" means fee for service payments under part A, B,
21 or D of the federal Medicare program established under subchapter
22 XVIII of the social security act, 42 USC 1395 to 1395III, without
23 regard to the limitations unrelated to the rates in the fee
24 schedule such as limitation or supplemental payments related to
25 utilization, readmissions, recaptures, bad debt adjustments, or
26 sequestration.

27 (g) "Neurological rehabilitation clinic" means a person that
28 provides post-acute brain and spinal rehabilitation care.

29 (h) "Person", as provided in section 114, includes, but is not

1 limited to, an institution.

2 (i) "Stabilized" means that term as defined in section 1395dd
3 of the social security act, 42 USC 1395dd.

4 (j) "Transfer" means that term as defined in section 1395dd of
5 the social security act, 42 USC 1395dd.

6 (k) "Treatment" includes, but is not limited to, products,
7 services, and accommodations.