

SENATE BILL NO. 1126

June 30, 2022, Introduced by Senators HERTEL, ANANICH, HOLLIER, WOJNO, CHANG, IRWIN, POLEHANKI, BULLOCK, LAUWERS, GEISS, BAYER, RUNESTAD, SANTANA, BRINKS, MOSS and SCHMIDT and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2022; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

2

LINE-ITEM APPROPRIATIONS

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Sec. 101. There is appropriated for various state departments

and agencies to supplement appropriations for the fiscal year
ending September 30, 2022, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	0
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION	\$	0
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Federal revenues:

Total federal revenues		0
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Special revenue funds:

Total local revenues		0
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Total private revenues		0
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Total other state restricted revenues		0
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State general fund/general purpose	\$	0
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**Sec. 102. DEPARTMENT OF INSURANCE AND FINANCIAL
SERVICES**

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	0
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION	\$	0
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Federal revenues:

Total federal revenues		0
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Special revenue funds:

Total local revenues		0
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Total private revenues		0
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1	Total other state restricted revenues	0
2	State general fund/general purpose	\$ 0
3	(2) ONE-TIME APPROPRIATIONS	
4	Post-acute auto injury provider relief fund	\$ (25,000,000)
5	Post-acute auto injury provider relief fund	25,000,000
6	GROSS APPROPRIATION	\$ 0
7	Appropriated from:	
8	State general fund/general purpose	\$ 0

10 PART 2

11 PROVISIONS CONCERNING APPROPRIATIONS

12 GENERAL SECTIONS

13 Sec. 201. Pursuant to section 30 of article IX of the state
 14 constitution of 1963, total state spending from state sources under
 15 part 1 for the fiscal year ending September 30, 2022 is \$0.00 and
 16 total state spending from state sources to be paid to local units
 17 of government is \$0.00.

18 Sec. 202. The appropriations made and expenditures authorized
 19 under this part and part 1 and the departments, commissions,
 20 boards, offices, and programs for which appropriations are made
 21 under this part and part 1 are subject to the management and budget
 22 act, 1984 PA 431, MCL 18.1101 to 18.1594.

24 DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

25 Sec. 301. (1) The post-acute auto injury provider relief fund
 26 is created within the department of treasury.

27 (2) From the money appropriated in part 1 for the post-acute
 28 auto injury provider relief fund, \$25,000,000.00 must be deposited
 29 into the fund.

1 (3) All money in the fund is appropriated and is available for
2 expenditure. Expenditures are limited to support purposes as
3 specified in this section. Not more than \$500,000.00 may be
4 expended from the fund by the department for administrative
5 expenses incurred under this section.

6 (4) Interest and earnings from the investment of money
7 deposited into the fund must be deposited into the general fund.

8 (5) A provider may receive a distribution from the fund only
9 if the charge pertains to a service for which there is no Medicare
10 code and the provider can demonstrate to the department that fees
11 under section 3157 of the insurance code of 1956, 1956 PA 218, MCL
12 500.3157, have caused the provider to receive reimbursement that is
13 below the cost of providing the service. To meet this standard, a
14 provider must submit all of the following to the department with
15 the provider's application for supplemental payments in connection
16 with payments received on or after July 1, 2021:

17 (a) Evidence to demonstrate that the provider attempted to
18 bill for a service that does not have a Medicare code and has not
19 been paid at the charged rate or otherwise reimbursed.

20 (b) The provider's 2019 charge master.

21 (c) The provider's invoice for the charge for which the
22 provider seeks supplemental payment from the fund.

23 (d) Evidence of payment received for the charge for which the
24 provider seeks supplemental payment from the fund.

25 (e) A medical prescription that corresponds to the services
26 associated with the charge for which the provider seeks
27 supplemental payment from the fund and that demonstrates the
28 reasonable necessity of the services.

29 (f) Evidence of 5 separate payments received in full before

1 July 1, 2021, for the charge for which the provider seeks
2 supplemental payment from the fund.

3 (6) A provider that enters this state as a new licensee or
4 that reorganizes, reincorporates, or otherwise reestablishes itself
5 in the same or similar business under a new name after January 1,
6 2019, is not eligible to receive money from the fund. The
7 department shall include the prohibition under this subsection in
8 application guidance provided by the department.

9 (7) The department shall administer the fund, including
10 reviewing and approving applications for funding and distributing
11 funding to post-acute auto injury providers. Specifically, the
12 department shall comply with all of the following requirements:

13 (a) The department shall develop application and review
14 processes. These processes must include criteria established under
15 this section.

16 (b) The department shall develop a process to retrieve any
17 distributed money that is later determined to have been distributed
18 as a result of fraudulent conditions or as a result of fraudulent
19 information. Any fraudulent activity related to the fund
20 constitutes fraud for purposes of the insurance code of 1956, 1956
21 PA 218, MCL 500.100 to 500.8302. Any funds retrieved under this
22 subdivision may be dispersed according to this section, even if the
23 fund was previously exhausted.

24 (c) The department shall begin accepting applications for
25 distributions from the fund not later than 30 days after the
26 effective date of the appropriation in part 1 described in
27 subsection (2).

28 (d) The department shall review all applications and issue a
29 determination not later than 10 days after the receipt of a

1 completed application. A provider that submits an incomplete
2 application is subject to a new 10-day application period after the
3 completed application is received. If the department determines a
4 distribution from the fund is appropriate, that distribution shall
5 be made to the provider within 5 days of the determination.

6 (e) The department shall report to the legislature 15 days
7 before the application process opens. This report must include a
8 sample application and any corresponding guidance or rules
9 promulgated by the department.

10 (f) Notwithstanding any provision of law to the contrary, the
11 department shall document and make available on a publicly
12 accessible website all information related to approval or denial of
13 distributions of money to providers from the fund.

14 (g) The department shall award money from the fund to
15 providers on a first-come, first-served basis. Except as otherwise
16 provided in subdivision (b), no money may be paid from the fund
17 after the fund is exhausted.

18 (8) The department shall provide a quarterly report to the
19 legislature, and shall make the report available on a publicly
20 accessible website, that includes all of the following:

21 (a) The number of providers that have applied for funding from
22 the fund.

23 (b) A list of the providers that have been approved for
24 funding and the amounts awarded.

25 (c) A list of providers that have been denied funding and the
26 reason for each denial.

27 (d) For each provider approved for a funding distribution,
28 metrics on all charges and payments received in response to those
29 charges under section 3157 of the insurance code of 1956, 1956 PA

1 218, MCL 500.3157.

2 (e) The total amount expended and remaining in the fund.

3 (9) One year after the department begins accepting
4 applications for distributions from the fund or after money in the
5 fund is exhausted, whichever occurs first, the department shall
6 report to the legislature, and make the report available on a
7 publicly accessible website, all of the following:

8 (a) Aggregated data reported in the quarterly reports under
9 subsection (8).

10 (b) Analysis of the impact of section 3157 of the insurance
11 code of 1956, 1956 PA 218, MCL 500.3157, and of the distributions
12 from the fund and any recommendations the director may wish to
13 offer to the legislature.

14 (10) A provider that avails itself of the fund and to which
15 funds are distributed does so as their exclusive remedy and forgoes
16 all other forms of recovery for the charges for which reimbursement
17 is sought under this section. Any payment under this section is
18 inadmissible for any purposes outside of claims made with the
19 department.

20 (11) Funds appropriated in part 1 for the fund must be used to
21 support distributions to providers that have not been paid at the
22 charged rate or otherwise reimbursed for services offered to
23 persons injured in motor vehicle accidents, as described in this
24 section. The unexpended funds appropriated in part 1 for the fund
25 are designated as work project appropriations and, subject to
26 subdivision (d), any unencumbered or unallotted funds shall not
27 lapse at the end of the fiscal year and are available for
28 expenditures for projects under this subsection until the projects
29 have been completed. The following is in compliance with section

1 451a(1) of the management and budget act, 1984 PA 431, MCL
2 18.1451a:

3 (a) The purpose of the project is to support distributions to
4 providers that have not been paid at the charged rate or otherwise
5 reimbursed for services offered to persons injured in motor vehicle
6 accidents, as described in this section.

7 (b) The project will be accomplished by using state employees
8 or contracts with service providers, or both.

9 (c) The total estimated cost of the project is \$25,000,000.00.

10 (d) The completion date of the work project is September 30,
11 2023. Any unexpended funds will lapse to the general fund.

12 (12) As used in this section:

13 (a) "Department" means the department of insurance and
14 financial services.

15 (b) "Fund" means the post-acute auto injury provider relief
16 fund created in this section.

17 (c) "Patient" means an injured person who is entitled to
18 benefits under section 3107 of the insurance code of 1956, 1956 PA
19 218, MCL 500.3107.

20 (d) "Provider" means a post-acute brain or spinal injury
21 clinic or other person that renders treatment or training, or a
22 post-acute brain or spinal injury attendant care provider.

23
24 **REPEALER**

25 Sec. 401. Section 301 of 2021 PA 65 is repealed.