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Senate Bill 530 (Substitute S-4 as reported)  
Senate Bill 531 (Substitute S-2 as reported)  
Senate Bill 575 (as reported without amendment)  
Sponsor: Senator Mary Cavanagh (S.B. 530)  
          Senator Sarah Anthony (S.B. 531)  
          Senator Jeremy Moss (S.B. 575)  
Committee: Finance, Insurance, and Consumer Protection

## **CONTENT**

Senate Bill 530 (S-4) would amend Chapter 31 (Motor Vehicle Personal and Property Protection) of the Insurance Code to do the following:

- Modify how providers would be reimbursed for the treatment of an individual covered by Personal Protection Insurance (PIP) for an accidental bodily injury.
- Modify the percentages for which providers could be reimbursed for treating or training an individual covered by PIP following an accidental bodily injury.
- Specify the amounts that a provider would have to be reimbursed if Medicare did not provide an amount payable for treatment or rehabilitation of an individual covered by PIP for an accidental bodily injury.
- Specify reimbursement amounts for caregivers and chiropractors for the treatment of an individual covered by PIP for an accidental bodily injury.
- Require the proposed reimbursement amounts to adjust annually at the rate of the CPI.
- Require a provider that rendered home care or residential services to be accredited to be eligible for reimbursement.
- Specify how an insurer would have to pay benefits to a personal caregiver.

Senate Bill 531 (S-2) would amend the Insurance Code to modify Michigan Compiled Law (MCL) references to reflect changes proposed by Senate Bill 530 (S-4).

Senate Bill 575 would amend the Insurance Code to modify MCL references to reflect the changes proposed in Senate Bill 530 (S-4)

Senate Bill 530 is tie-barred to Senate Bill 531.

MCL 500.3157 (S.B. 530)  
500.2111f (S.B. 531)  
500.3107c (S.B. 575)

## **BRIEF RATIONALE**

Public Act 21 of 2019 significantly restructured the State's no-fault system, including requiring all automobile insurance policies to offer four PIP coverage levels, not just unlimited coverage, and specifying reimbursement rates for Medicare and non-Medicare services. According to testimony before the Senate Committee on Finance, Insurance, and Consumer Protection, the legislation had unintended consequences resulting in limited access to care for auto accident survivors who required specialized care from services that did not have a previous Medicare code and thus could not be reimbursed at rates that were sustainable to providers. It has

been suggested that the reimbursement structures be modified to allow auto accident survivors to have access to the services they need.

Legislative Analyst: Eleni Lionas

### **FISCAL IMPACT**

The bill would not have a significant fiscal impact on the Department of Insurance and Financial Services and would have no fiscal impact on local units of government. Existing appropriations and staff likely would be sufficient to manage implementation activities resulting from the bill.

There would be no direct fiscal impact to the Medicaid program under the changes proposed in the bill. The proposed changes in the provider reimbursement limits and the defined fee schedule are applicable to treatment and training for accidental bodily injury covered by PIP. As the bill does not modify the existing PIP tiers that permit qualified individuals enrolled in Medicaid to purchase a PIP coverage of \$50,000, there is not likely to be any changes in insurance coverage behavior. As the State Medicaid program negotiates a fee schedule for Medicaid fee-for-service individuals and Medicaid managed care health plans negotiate rates on behalf of the Medicaid managed care enrollees, the bill would have no direct change in underlying Medicaid payments made to providers of Medicaid services.

Date Completed: 10-20-23

Fiscal Analyst: John P. Maxwell  
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.