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For Immediate Release
June 30, 2021

Senate approves auto no-fault update to protect accident victims, support certain health care providers

LANSING, Mich. – The Senate on Wednesday approved a \$25 million Post-Acute Auto Injury Provider Relief Fund to temporarily reimburse health care providers whose businesses might be severely impacted by the 2019 auto no-fault reforms.

While these changes offered drivers flexibility and lower car insurance rates, [Sen. Lana Theis](#) said, some providers have yet been unable to transition their business models to compensate for the changes.

“Certain rate reductions may impact some providers’ ability to operate their businesses and treat accident victims,” said Theis, R-Brighton, who championed the 2019 reforms and offered the Senate substitute to the bill that creates the new fund. “The fund approved today will provide those health care providers focused more on patient care than the bottom line an opportunity to apply for assistance if other cost saving measures aren’t effective.”

The fund, which would be operated by the state Department of Insurance and Financial Services, would enable affected health care providers experiencing a severe, systematic deficit in their business because of the fee schedule change to seek financial help. To be awarded assistance from the fund, applicants would be required to submit relevant documentation that fee schedule changes are causing systemic losses, proof that business cost saving measures are insufficient to continue to provide care, and evidence of efforts to alter their business practices to comply with the new law.

DIFS would be required to consider an applicant’s charges compared to other charges sent to Medicaid, worker’s comp, private insurance, and other non-auto insurance for similar care. This will enable the department to determine if overcharging is occurring.

The department would also be required to publicly post certain statistics about the fund every quarter and produce an annual report on fund performance.

“The historic auto no-fault reforms are benefitting thousands of Michigan families, helping them save significantly on their car insurance policies — over a billion this year alone,” Theis said. “With the approval of this temporary Post-Acute Auto Injury Provider Relief Fund, we can ensure those savings continue, while also providing a bridge for our accident victims so that they continue to get the care they need from their health care providers.”



The bill now goes to the House of Representatives for concurrence before going to the governor for approval.

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