

# HOUSE BILL NO. 5500

October 28, 2021, Introduced by Reps. Bezotte, Wozniak, Rogers, Stone, Hood, Maddock, Howell, Hertel, Thanedar, O'Neal, Steckloff, Brixie, Shannon, Hope, LaGrand, Clemente, Brabec, Bolden, Morse, Ellison, Haadsma, Koleszar, Weiss, Breen, Cynthia Johnson, Kuppa, Sneller, Cavanagh, Puri, Scott, Rabhi, Liberati, Sowerby, Tyrone Carter, Green, Manoogian, Yancey, Aiyash and Anthony and referred to the Committee on Insurance.

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

1 charge a reasonable amount for the treatment or training. The  
2 charge must not exceed the amount the person customarily charges  
3 for like treatment or training in cases that do not involve  
4 insurance.

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

11 (a) For **medical** treatment or training rendered after July 1,  
12 2021 and before July 2, 2022, 200% of the amount payable to the  
13 person for the **medical** treatment or training under Medicare.

14 (b) For **medical** treatment or training rendered after July 1,  
15 2022 and before July 2, 2023, 195% of the amount payable to the  
16 person for the **medical** treatment or training under Medicare.

17 (c) For **medical** treatment or training rendered after July 1,  
18 2023, 190% of the amount payable to the person for the **medical**  
19 treatment or training under Medicare.

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

26 (a) For **medical** treatment or training rendered after July 1,  
27 2021 and before July 2, 2022, 230% of the amount payable to the  
28 person for the **medical** treatment or training under Medicare.

29 (b) For **medical** treatment or training rendered after July 1,

2022 and before July 2, 2023, 225% of the amount payable to the person for the **medical** treatment or training under Medicare.

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

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

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

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

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

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

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

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

1 (v) The hospital coordinates necessary post-discharge  
2 services.

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

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

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

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

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

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

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

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

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

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

23 (i) For **medical** treatment or training rendered after July 1,  
24 2021 and before July 2, 2022, 55%.

25 (ii) For **medical** treatment or training rendered after July 1,  
26 2022 and before July 2, 2023, 54%.

27 (iii) For **medical** treatment or training rendered after July 1,  
28 2023, 52.5%.

29 (b) For a person to which subsection (3) applies, the

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

7 (i) For **medical** treatment or training rendered after July 1,  
8 2021 and before July 2, 2022, 70%.

9 (ii) For **medical** treatment or training rendered after July 1,  
10 2022 and before July 2, 2023, 68%.

11 (iii) For **medical** treatment or training rendered after July 1,  
12 2023, 66.5%.

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

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

26 (i) For **medical** treatment or training rendered after July 1,  
27 2021 and before July 2, 2022, 75%.

28 (ii) For **medical** treatment or training rendered after July 1,  
29 2022 and before July 2, 2023, 73%.

1           (iii) For **medical** treatment or training rendered after July 1,  
2 2023, 71%.

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

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

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

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

25           (b) An individual who is domiciled in the household of the  
26 injured person.

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

29           (11) An insurer may contract to pay benefits for attendant

1 care for more than the hourly limitation under subsection (10).

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

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

17 (a) "Ambulance operation" means that term as defined in  
18 section 20902 of the public health code, 1978 PA 368, MCL  
19 333.20902.

20 (b) "Emergency medical services" means that term as defined in  
21 section 20904 of the public health code, 1978 PA 368, MCL  
22 333.20904.

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

28 (15) As used in this section:

29 (a) "Charge description master" means a uniform schedule of



charges represented by the person as its gross billed charge for a given service or item, regardless of payer type.

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

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

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

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

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

**(i) Transportation services.**

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

**(iii) Food or housing.**

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

**(v) Guardianship services.**

**(vi) Case management services.**

**(vii) Durable medical equipment.**

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

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

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

**(g) ~~(f)~~ "Medicare" means fee for service payments under part**

1 A, B, or D of the federal Medicare program established under  
2 subchapter XVIII of the social security act, 42 USC 1395 to 1395III,  
3 without regard to the limitations unrelated to the rates in the fee  
4 schedule such as limitation or supplemental payments related to  
5 utilization, readmissions, recaptures, bad debt adjustments, or  
6 sequestration.

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

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

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

13 (k) ~~(j)~~—"Transfer" means that term as defined in section  
14 1395dd of the social security act, 42 USC 1395dd.

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