

# HOUSE BILL NO. 6371

September 14, 2022, Introduced by Rep. Yaroch and referred to the Committee on Rules and Competitiveness.

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

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

4 (2) Subject to subsections (3) to ~~(14)~~, **(15)**, a physician,  
 5 hospital, clinic, or other person that renders treatment or  
 6 rehabilitative occupational training to an injured person for an  
 7 accidental bodily injury covered by personal protection insurance  
 8 is not eligible for payment or reimbursement under this chapter for  
 9 more than the following:

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

13 (b) For treatment or training rendered after July 1, 2022 and  
 14 before ~~July 2, 2023~~, **the effective date of the amendatory act that**  
 15 **added subsection (15)**, 195% of the amount payable to the person for  
 16 the treatment or training under Medicare.

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

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

29 (b) For treatment or training rendered after July 1, 2022 and

1 before ~~July 2, 2023,~~ **the effective date of the amendatory act that**  
2 **added subsection (15)**, 225% of the amount payable to the person for  
3 the treatment or training under Medicare.

4 ~~(c) For treatment or training rendered after July 1, 2023,~~  
5 ~~220% of the amount payable to the person for the treatment or~~  
6 ~~training under Medicare.~~

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

11 (a) On July 1 of the year in which the person renders the  
12 treatment or training, the person has 20% or more, but less than  
13 30%, indigent volume determined pursuant to the methodology used by  
14 the department of health and human services in determining  
15 inpatient medical/surgical factors used in measuring eligibility  
16 for Medicaid disproportionate share payments.

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

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

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

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

29 (iv) The hospital assists patients to achieve excellent

1 rehabilitation outcomes.

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

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

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

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

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

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

1 this chapter of more than the following:

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

5 (b) For treatment rendered after July 1, 2022 and before ~~July~~  
6 ~~2, 2023, the effective date of the amendatory act that added~~  
7 **subsection (15)**, 235% of the amount payable to the hospital for the  
8 treatment under Medicare.

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

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

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

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

26 (ii) For treatment or training rendered after July 1, 2022 and  
27 before ~~July 2, 2023, the effective date of the amendatory act that~~  
28 **added subsection (15)**, 54%.

29 ~~(iii) For treatment or training rendered after July 1, 2023,~~

1 ~~52.5%.~~

2 (b) For a person to which subsection (3) applies, the  
 3 applicable following percentage of the amount payable for the  
 4 treatment or training under the person's charge description master  
 5 in effect on January 1, 2019 or, if the person did not have a  
 6 charge description master on that date, the applicable following  
 7 percentage of the average amount the person charged for the  
 8 treatment or training on January 1, 2019:

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

11 (ii) For treatment or training rendered after July 1, 2022 and  
 12 before ~~July 2, 2023,~~ **the effective date of the amendatory act that**  
 13 **added subsection (15),** 68%.

14 ~~(iii) For treatment or training rendered after July 1, 2023,~~  
 15 ~~66.5%.~~

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

22 (d) For a person to which subsection (6) applies, the  
 23 applicable following percentage of the amount payable for the  
 24 treatment under the person's charge description master in effect on  
 25 January 1, 2019 or, if the person did not have a charge description  
 26 master on that date, the applicable following percentage of the  
 27 average amount the person charged for the treatment on January 1,  
 28 2019:

29 (i) For treatment or training rendered after July 1, 2021 and

1 before July 2, 2022, 75%.

2 (ii) For treatment or training rendered after July 1, 2022 and  
3 before ~~July 2, 2023,~~ **the effective date of the amendatory act that**  
4 **added subsection (15),** 73%.

5 ~~(iii) For treatment or training rendered after July 1, 2023,~~  
6 ~~71%.~~

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

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

22 (10) For attendant care rendered in the injured person's home,  
23 an insurer is only required to pay benefits for attendant care up  
24 to the hourly limitation in section 315 of the worker's disability  
25 compensation act of 1969, 1969 PA 317, MCL 418.315. ~~This~~ **Subject to**  
26 **subsection (15), this** subsection only applies if the attendant care  
27 is provided directly, or indirectly through another person, by any  
28 of the following:

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

1 (b) An individual who is domiciled in the household of the  
2 injured person.

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

5 (11) An insurer may contract to pay benefits for attendant  
6 care for more than the hourly limitation under subsection (10).

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

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

23 (a) "Ambulance operation" means that term as defined in  
24 section 20902 of the public health code, 1978 PA 368, MCL  
25 333.20902.

26 (b) "Emergency medical services" means that term as defined in  
27 section 20904 of the public health code, 1978 PA 368, MCL  
28 333.20904.

29 (14) Subsections (2) to (13) apply to treatment or



1 rehabilitative occupational training rendered after July 1, 2021  
2 and before the effective date of the amendatory act that added  
3 subsection (15).

4 (15) Beginning on the effective date of the amendatory act  
5 that added this subsection, a physician, hospital, clinic, or other  
6 person that renders treatment or rehabilitative occupational  
7 training to an injured person for an accidental bodily injury  
8 covered by personal protection insurance is not eligible for  
9 payment or reimbursement under this chapter for more than the  
10 maximum charge that applies to the treatment or training under the  
11 schedules promulgated under section 315 of the worker's disability  
12 compensation act of 1969, 1969 PA 317, MCL 418.315.

13 (16) ~~(15)~~As used in this section:

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

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

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

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

25 (e) "Medicaid" means a program for medical assistance  
26 established under subchapter XIX of the social security act, 42 USC  
27 1396 to ~~1396w-5~~.1396w-6.

28 (f) "Medicare" means fee for service payments under part A, B,  
29 or D of the federal Medicare program established under subchapter

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

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

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

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

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

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