

**Michigan Office of Administrative Hearings and Rules**

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**AGENCY REPORT TO THE  
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

**1. Agency Information**

**Agency name:**

Insurance and Financial Services

**Division/Bureau/Office:**

Insurance

**Name of person completing this form:**

Catherine Hart

**Phone number of person completing this form:**

248-982-9425

**E-mail of person completing this form:**

HartC4@michigan.gov

**Name of Department Regulatory Affairs Officer reviewing this form:**

Sarah Wohlford

**2. Rule Set Information**

**MOAHR assigned rule set number:**

2020-114 IF

**Title of proposed rule set:**

No-Fault Fee Schedule

**3. Purpose for the proposed rules and background:**

These rules implement Section 3157 of the Insurance Code of 1956, MCL 500.3157, which establishes a fee schedule applicable to health care providers that provide services to people injured in motor vehicle accidents. These rules do the following: 1) define the applicable Medicare schedule; 2) establish procedures for determining which health care providers are entitled to enhanced reimbursement rates; 3) establish procedures for the department to collect information related to rates charged by health care providers as of January 1, 2019, for the purposes of calculating reimbursement rates; 4) establish a date and methodology for determining the adjustment of reimbursement rates; and 5) establish procedures for the department to administer the accreditation requirements under Section 3157.

**4. Summary of proposed rules:**

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This is a new rule set that implements the provisions of MCL 500.3157 by doing the following: a) defining the applicable Medicare fee schedule; b) establishing procedures for determining which health care providers are entitled to enhanced reimbursement rates; c) establishing procedures for the department to collect information related to rates charged by health care providers as of January 1, 2019, for the purposes of calculating reimbursement rates; d) establishing a date and methodology for determining the adjustment of reimbursement rates; and e) establishing procedures for the department to administer the accreditation requirements under MCL 500.3157.

### **5. List names of newspapers in which the notice of public hearing was published and publication dates:**

Lansing State Journal: March 10, 2021  
The Oakland Press: March 10, 2021  
Escañaba Daily: March 10, 2021

### **6. Date of publication of rules and notice of public hearing in Michigan Register:**

3/15/2021

### **7. Date, time, and location of public hearing:**

3/26/2021 09:00 AM at This public hearing will be held virtually via Microsoft Teams to receive public comments while complying with measures designed to help prevent the spread of Coronavirus Disease 2019 (COVID-19). , URL: <http://bit.ly/FeeScheduleRulesPublicHearing>; Telephone Number: (248) 509-0316 (Conference ID: 134264067#)

### **8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:**

<https://ARS.apps.lara.state.mi.us/Transaction/RFRTtransaction?TransactionID=1240>

### **9. List of the name and title of agency representative(s) attending public hearing:**

Sarah Wohlford, Senior Deputy Director  
Catherine Hart, Administrative Law Specialist

### **10. Persons submitting comments of support:**

There were no express comments in support of the rule set.

### **11. Persons submitting comments of opposition:**

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The following persons submitted comments of opposition to the rules independent of the statutory impact:

- Lisa Andreozzi (Metadata)
- Tom Judd (Michigan Brain Injury Provider Council)
- Tim Hoste
- Katie Tucker (Coalition Protecting Auto No-Fault & Health Partners, Inc.)
- Jason Groth
- Melissa Sharp
- Alexandria Gillespie
- Debra Emery
- Deborah Walker
- Jordan Badley
- Rosie Pung
- Michael Barnhard
- Kathleen Coll
- Julie Novak (Michigan State Medical Society)
- Trish Szymanski
- Michelle Heskett
- Lenny Treece
- Monica J. Van Acker
- Elizabeth Piner
- Tammy Hannah
- Dennis Atkins
- Christa Rolando
- Lesli Rhoton
- Joe Richert
- Kevin Smith
- Sarah Gibbs
- Emma Zubeck
- Jenna Dost
- Erica Coulston

**12. Identify any changes made to the proposed rules based on comments received during the public comment period:**

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	<b>Name &amp; Organization</b>	<b>Comments made at public hearing</b>	<b>Written Comments</b>	<b>Agency Rationale for change</b>	<b>Rule number &amp; citation changed</b>
1	Julie Novak, Michigan State Medical Society; Katie Tucker, on behalf of Coalition Protecting Auto No-Fault and Health Partners, Inc.		Statutory authority to promulgate the rules is erroneous.	The draft rules erroneously cited the Public Health Code. The rulemaking authority is in MCL 500.210.	Statutory authority citation.
2	Michele Hibbert, Mitchell International, Inc.		Date of applicable fee schedule is necessary to ensure consistency.	R 500.201(h) was amended to clarify that the applicable Medicare fee schedule is the one in effect on March 1 of the service year in which services are rendered. R 500.201(j) was added to provide a definition of "service year."	R 500.201(h)
3	Michele Hibbert, Mitchell International, Inc.		Database to be used should be specifically named.	R 500.205 was amended to name FAIR Health's database.	R 500.205
4	Insurance Alliance of Michigan		Applicable Medicare fee schedule should be clarified.	R 500.203(1) was amended to clarify that the Medicare fee schedule to be used is the participating fee schedule.	R 500.203(1)

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5	Katie Tucker, on behalf of Coalition Protecting Auto No-Fault and Health Partners, Inc.		Addition of “regional average” provision imposes a burden on providers and exceeds the scope of the No-Fault Act.	R 500.205 was amended to clarify that the provider is not required to supply a “regional average”; rather, DIFS will consult the FAIR Health database to determine an average amount for the applicable geozip for providers that do not have a charge description master or average amount as of January 1, 2019; or when there is a new service or product that did not exist on January 1, 2019. DIFS will do so only in connection with a provider appeal under MAC 500.65. R 500.201 (i) was struck as the definition of “regional average” is no longer needed.	R 500.205
6	Katie Tucker, on behalf of Coalition Protecting Auto No-Fault and Health Partners, Inc.		Rule allowing for disclosure exceeds scope of No-Fault Act.	R 500.203(2) was stricken.	R 500.203(2)

13.Date report completed:

5/17/2021