



Testimony presented May 19, 2022, by Barry Cargill, President and CEO of the Michigan Home Care and Hospice Association to the House Committee on Insurance.

House Bills 5870 (Prompt Pay)

MHHA Position: Support.

On behalf of the 250 members of the Michigan HomeCare and Hospice Association (MHHA), we are pleased to offer support for House Bill 5780, introduced by Representative Berman. We appreciate the Committee's consideration of this important issue today and encourage prompt action to pass this important legislation.

Since July 2, of 2019, insurance company reimbursement practices have been disappointing and detrimental to the financial stability of providers of attendant care (home care) and other services critical to the health and livelihood of catastrophically injured auto crash survivors. Current law imposes insufficient penalty to curb practices by insurers to unreasonably deny payment to providers and this bill will improve efforts to hold insurance companies accountable for unreasonable nonpayment of claims submitted and owed to providers.

The 45% cut to attendant care services which was unfortunately amended into the 2019 MI Auto No Fault Reforms forced serious financial stress to over 150 agency providers, some of whom closed their doors, and others laying off employees, and all suffering financial hardship. Some providers continued to provide care to crash victims at significant financial loss, in anticipation of legislators revisiting the Michigan Auto No-Fault Reimbursement Reforms of 2019 and passing legislation to set reasonable reimbursement. The 45% cut to attendant care services is not sustainable for home care providers, and many providers report insurance companies are unreasonably withholding payment in excess of the 45% cut. The Michigan Department of Insurance and Financial Services has demonstrated they are ineffective in resolving complaints for patients and providers, hiding behind statements saying they are simply following state law.

Home Care companies have experienced significant financial devastation, and patients continue to be denied the medically necessary care which they paid for and expect the insurance company to honor the policy agreement.

Home Care is a very competitive industry, but government interference has caused devastating financial damage to businesses and the patients who depend on them. Yes, passage of HB 5780 is important but it's much more important for the legislature to revisit the Michigan Auto No-Fault Law and restore reasonable reimbursement for home care services which injured auto crash survivors depend on for medically necessary care.

Home Care is the lowest cost alternative to hospitalization and institutional care and the current legislative inaction will prove catastrophic results in the days and months to come. We urge legislative leaders to step forward and do the right thing, pass reasonable reimbursement under the Michigan Auto No-Fault Act.

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