



TALKING POINTS

October 2011

Proposal to Change Michigan Auto No-Fault Insurance

1. There are numerous reasons why the proposal to change Michigan's Auto-No Fault law is bad public policy. Reducing Michigan's lifetime Personal Injury Protection (PIP) Benefit will:
 - Reduce benefits to auto accident victims
 - Shift expensive medical costs from auto insurance companies to employer funded health plans, Medicaid and individuals
 - Dramatically increase exposure to lawsuits for individuals involved in auto accidents whose medical expenses exceed the coverage limits proposed in the new law
 - **Impose a government fee schedule on hospitals, physicians, rehab providers and other health care services**
2. Persons who suffer catastrophic injury and who did not buy enough PIP coverage to cover the expense, would, in many cases, **not be covered for the medical care, treatment, and rehabilitation** they require in order to attain the highest level of recovery. They will, in many cases, require emergency care that they can't pay for. As a non-profit community hospital, Munson Medical Center is required to treat all patients regardless of their ability to pay.
3. All physicians, hospitals, clinics, and other persons lawfully rendering treatment to an injured person can only be paid for services rendered in an amount that does not exceed the current workers' compensation fee schedules, regardless of the severity of the patient's injuries or the extent of their needs. These fee schedules are **government-imposed price controls** on the treatments provided by health care providers to auto accident victims.
4. **Munson Medical Center stands to lose an estimated \$6.4 million annually due to the imposition of government fee schedules under the proposal.** As the only trauma center in northern Michigan, Munson would be disproportionately impacted by this change in the auto no-fault law.
5. **While insurance companies are promising to lower auto insurance premiums, there is nothing in the proposed legislation requiring them to do so. There is no guarantee that auto insurance rates will drop.**
6. When you stop and do the math, the proposed legislation is bad for taxpayers, bad for drivers, bad for Michigan and bad for Munson! **We urge the residents of northern Michigan to contact their state legislators and tell them to vote no on the proposal to gut Michigan's Auto No-Fault law.**