

## Report on Public Policy Position

**Name of section:**

Elder Law & Disability Rights Section

**Contact person:**

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**Bill Number:**

[HB 5453](#) (Hune) Insurance; no-fault; coverage for personal protection insurance (PIP); allow certain individuals to waive. Amends secs. 3104 & 3107 of [1956 PA 218](#) (MCL [500.3104](#) & [500.3107](#)).

**Date position was adopted:**

March 1, 2008

**Process used to take the ideological position:**

Position adopted after an electronic discussion and vote.

**Number of members in the decision-making body:**

20

**Number who voted in favor and opposed to the position:**

17 Voted for position

0 Voted against position

0 Abstained from vote

0 Did not vote

**Position:**

Oppose

**Explanation of the position, including any recommended amendments:**

The bill would amend the No-Fault Act to allow persons over age 65 who are enrolled in Medicare to waive personal injury protection (PIP) benefits. The bill requires insurers to offer a reduced premium to those who waive PIP coverage but doesn't specify the amount of the reduction. The Section is opposed to this bill because Medicare coverage is not equivalent to PIP coverage. There are annual payment caps on physical, occupational, and speech therapy services under Medicare. According to info on the Medicare website the annual benefit for outpatient PT and ST is limited to \$1780. There is a separate annual limit of \$1780 for outpatient OT. There is also a 20% co-pay for OT, PT, and ST services. There is no cap for services provided in a hospital outpatient therapy department. Furthermore Medicare does not pay for replacement services, attendant care services, vehicle/home modifications, or funeral/burial expenses, all of which are covered under PIP coverage. The Council

is concerned that if this bill is passed, many seniors will be lured into waiving their PIP coverage only to find out later when they are injured in an auto accident that they made a costly mistake. Finally it is not clear whether the Medicare rules would permit the state to shift costs from private insurers to Medicare in this manner.

**The text of any legislation, court rule, or administrative regulation that is the subject of or referenced in this report.**

<http://legislature.mi.gov/doc.aspx?2007-HB-5453>