

Michigan PIP Ruling & the Impact to Healthcare Organizations

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The Michigan Supreme Court ruled, in a 5-2 decision, that car crash survivors critically injured before the 2019 no-fault law are not subject to the law's limits on medical benefits.

Car crash survivors injured before the 2019 Michigan no-fault reform argued the reform shouldn't impact their preexisting insurance contracts that provide their medical benefits. Despite these arguments, services not provided by Medicare were cut by nearly 45%. Prior insurance policies "bind the companies to their promise to provide PIP benefits under the law that existed at the time of injury to those individuals covered by the policies." While the reform dictates a line in the sand for people injured after June 11, 2019, it does not retroactively limit reimbursements to individuals injured before.

So how does this relate to the healthcare industry? When PIP benefits were cut, many injured victims lost a significant amount of their funding for healthcare services. While the need remained, many victims could no longer afford their medical needs. The Michigan Public Health Institute published a study in August of 2022 with findings showing approximately 4,100 healthcare worker jobs out of 20,000 were eliminated while approximately 6,900 crash patients were discharged from care. This was based on a study of 209 healthcare organizations. This recent ruling has opened the door for other challenges to the reform. Some lawmakers want to revisit the law further as clinics and residential facilities for those with catastrophic injuries continue to close.

With the reinstatement of retroactive benefits not subject to the new reform, the need for healthcare workers is bound to increase. Home healthcare companies, healthcare staffing companies, hospice care providers, adult foster care homes, and many more healthcare organizations will be cropping up, and Arlington/Roe has the experience and market access to help you place coverage for these insureds. Give one of our brokers a call, and we can help you find the right solution.

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