Testimony on Managed Care / No Fault Legislation
Michigan House Insurance Committee
June 23, 2005

Re: HB 4247 and 4904

Chairman Hune, on the behalf of CPAN and Irvine Head Injury, Inc, I would like to thank you for the opportunity to speak with you today.

I am Artesia McNeal, President of Irvine Head Injury, Inc. I have been working with individuals with traumatic brain injuries and/ or spinal cord injuries for 11 years. Approximately 85 % of the persons treated at Irvine Head Injury, Inc, sustain their injures as a result of a motor vehicle accident. In efforts to seek appropriate treatment of these individuals, I have had the opportunity to work with the insured and their families as well as various auto insurances companies in seeking appropriate treatment.

I am here today to express my opposition to the House Bill 4247 and 4904.

As a rehabilitation professional, I have first-hand knowledge in utilizing Michigan's No- Fault system. The current benefits allowed to the insured are priceless. Depending on the type and degree of an injury, a person has an opportunity to recover to their pre-morbid level of functioning. The insured also has the opportunity to seek quality professional help from medical specialist and rehabilitative specialist, including second opinions with minimanl difficulty. The resources are unlimited.

Under managed care the insured is only allowed to seek treatment from insurance approved physicians. The problem with this approach is that the insured is limited to the services they are allowed to receive. Persons that have sustained a traumatic brain injury may require services such as Cognitive Retraining, Occupational Therapy, Physical Therapy, Social Work, Speech and Language Pathology, Therapeutic Recreation, vocational rehabilitation and non emergency transportation, most of which are not covered by any health plans or managed care systems. Persons who would need these services to return to the workforce or to maximize recovery may be unable to acquire the services under managed care.

Presently there are several facilities that provide highly specialized rehabilitation services for persons with traumatic brain injuries and spinal cord injures. Should "managed care" become and option, approximately ninety percent of these facilities, including Irvine Head injury, Inc would close and thousands of jobs lost. These losses would occur because most managed care systems only accept Medicare providers such as nursing homes and hospitals and most care is delivered in an adult foster care setting. The insured seeking residential

treatment would likely be place into nursing homes. These facilities typically do not offer the level of rehabilitation treatment required to assist the insured to reach maximum recovery. There lies the potential for persons who would benefit from a specialized rehabilitation facility and may return to the workforce to receive non individualized rehabilitation with decreased benefits to recovery.

At this very moment, there are hundreds children participating in traumatic brain injury and spinal cord injury rehabilitation programs in Southeastern Michigan. The introduction of managed care would limit the rehabilitation resources for them. Children that received disabilities resulting from an automobile accident are able to get the same level services as adults through programs designed exclusively for children. Children with various disabilities attend school systems with the available resources such as special ed programs. However, not all school systems can accommodate these children with disabilities. Under managed care these children who required residential and many other services may be forced to seek Medicaid programs.

The idea of managed care appears to benefit the insured and the insurer. However there are several unbeneficial factors to be considered. Approximately 25% of the funding is used to pay into supporting the system. The quality of care is often compromised because the focus shifts from patient care to simply cost reduction. Approval decisions are subject to a non-medically specialized individual with limited knowledge of the insured's medical condition. Managed care will increase the difficulty of the insured to seek medically necessary treatment because the necessary services may not be covered by the insurance company's selected managed care system. The insured are less likely to assess the credentials of the providing physicians due to a limited number of providers within a specialty. Treating physicians may not be assessable geographically by the insured. The level of treatment and resources for treatment available to the insured is diminished under managed care systems.

I understand the need of the insurance companies to seek cost efficient methods for personal protection insurance however manage care is not beneficial to Michigan's No-Fault system. In reviewing the presented House Bills 4247 and 4904, the benefits to the insured seem inconclusive. This is why I am asking the house to turn the bills down.

Again, Chairman Hune and Members of the House, I would like to thank you for the opportunity to present my concerns regarding the House Bills 4247 and 4904 that seek to change the Michigan's No- Fault System.

I welcome any questions you may have.