

# Flawed Fiscal Agency Report Ignores \$1 Billion Or More In Savings From Auto No-Fault Reforms, Says Michigan Chamber Of Commerce

## Incomplete report fails to incorporate real data from other states

LANSING, Mich., Oct. 5, 2017 /[PRNewswire-USNewswire](#)/ -- The Michigan Chamber of Commerce today blasted a flawed and incomplete report released by the House Fiscal Agency (HFA) on legislation to reform Michigan's broken, outdated auto no-fault insurance system. At issue is the HFA's failure to consider consumer and business savings of \$1 billion or more annually and to include real data from other states.

"The flawed, incomplete HFA study completely overlooks at least \$1 billion in consumer and business savings and is devoid of data from the 49 other states that don't force drivers to purchase unlimited, lifetime medical benefits with their auto insurance," said Wendy Block, Senior Director of Health Policy, Human Resources & Business Advocacy for the Michigan Chamber.

"This misguided report does a disservice to the debate on common sense reforms to fix Michigan's broken no-fault system," said Jim Holcomb, Senior Vice President and General Counsel for the Michigan Chamber. "In addition to ignoring the enormous savings to Michigan drivers by allowing consumers to choose a level of coverage that best fits their needs, the HFA report also fails to incorporate the enormous cost-savings associated with prohibiting medical providers from charging two, three or more times for a procedure just because it's covered by no-fault."

"Under Michigan's current no-fault law, hospitals can charge two and three times more for the same procedure as other forms of insurance," Holcomb noted. "For instance, a *Detroit Free Press* investigative report found an auto insurer was billed more than \$5,300 for an MRI. That same procedure costs \$500 under Medicare. Under legislation introduced in the State House (HB 5013), providers would have to charge the Medicare rate, significantly reducing auto insurance premium costs."

"The HFA report also fails to incorporate the cost savings to senior citizens, many of whom are already paying for Medicare and are forced to purchase unlimited, lifetime medical benefits with their auto insurance," Block added.

"It's estimated that Michigan drivers and businesses could save more than \$1 billion annually if the reforms in HB 5013 are enacted, and that's a conservative estimate," concluded Block. "We urge the HFA to go back to the drawing board and take these other factors into consideration to quantify the enormous savings behind real reforms to Michigan's broken and outdated auto no-fault system."

*The Michigan Chamber is a statewide business organization representing approximately 6,500 employers, trade associations and local chambers of commerce. The Chamber represents businesses of every size and type in all 83 counties of the state. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process. It is one of only six state chambers accredited by the U.S. Chamber and one of only four state chambers accredited with distinction.*

SOURCE Michigan Chamber of Commerce

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<http://michamber.mediaroom.com/2017-10-05-Flawed-Fiscal-Agency-Report-Ignores-1-Billion-Or-More-In-Savings-From-Auto-No-Fault-Reforms-Says-Michigan-Chamber-Of-Commerce>

