



*A broad-based coalition to preserve the integrity of
Michigan's model No-Fault Insurance System*

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November 27, 2012

Governor Rick Snyder
State of Michigan
2nd Floor Romney Building
Lansing, MI 48909

Dear Governor Snyder;

As you are aware, the Coalition Protecting Auto No-Fault is a broad alliance of health care providers, patients and consumer advocates who are committed to preserving Michigan's auto no-fault system. It is the model system for our country and continues to work well in providing lifetime medical and rehabilitation benefits to auto accident survivors and is balanced by a limited right to sue the at-fault driver. We are writing to urge you not to use this lame duck period as an excuse to rush through ill-conceived and short-sighted changes to Michigan's model no-fault system.

To date, the proposals under discussion are one-sided, draconian to accident victims and detrimental to the state. Research has shown that House Bill 4936, and similar proposals to cut injury benefits, will shift millions of dollars each year onto state taxpayers while offering no meaningful cost savings to drivers. The proposal to impose government mandated price controls on health care providers through a fee schedule will cost Michigan hospital systems an average of \$10 million each. Ultimately, the changes proposed by the insurance industry will cause thousands of health care jobs to be lost in Michigan. For these reasons, we remain strongly opposed to the continued push to address auto no-fault during the waning days of lame duck.

Additionally, and more importantly, it should again be noted that many of the accusations being made by the insurance industry on the financial sustainability of the Michigan Catastrophic Claims Association have not been substantiated. This is why CPAN is seeking transparency of the MCCA through a lawsuit that aims to gain access to information the legislature can use to determine whether the MCCA is financially viable. The lawsuit was argued before Ingham County Circuit Court in October and decision is pending. Without this transparency, policy makers have no way to verify the assertions being made by the insurance industry about the need for such drastic changes to our auto insurance system.

The legislature must also consider how the implementation of the Affordable Care Act and the development of the essential benefits will impact auto injury treatment. There must be adequate time to see how the ACA overlays with not only the current health care system in Michigan but also with the benefits under our current auto no fault system.



Over the past two years, under your leadership and that of the Governor, lawmakers have successfully addressed complicated and contentious issues with input from all stakeholders. With the current legislative push for changes to auto no fault, this has not occurred. CPAN stands ready to be part of that discussion and will work within a structure that is facilitated with a benchmark to be fair and open minded. Moreover, that discussion should be balanced with representation by *all* key stakeholders.

On behalf of the Coalition members and organizations we request that such a process, structured task force, or workgroup be established to accomplish these goals within a reasonable timeframe. This request is not an attempt to delay and run out the clock. We strongly believe that rushing industry backed changes without input or response from all stakeholders will result in poor public policy for the state and negative outcomes for your constituents.

For the record, CPAN is willing to discuss the following issues: a lifetime cap on personal injury protection benefits (with substantiated data from the MCCA), affordability measures for Michigan drivers, reforms to improve efficiencies in the delivery of care including attendant care, improvements to provide a more competitive market place to drive down the cost to consumers, a fair and balanced tort threshold, cost containment measures and a balanced approach addressing fraud.

While we strongly believe that lame duck is not the place to push through one-sided changes to auto no-fault that will have no benefit to consumers and job providers in Michigan, we remain committed to enhancing the system to increase affordability, improve efficiencies in providing benefits and increase accountability from providers, consumers and insurers alike.

We urge you to take auto no-fault off the lame duck agenda and move all stakeholders to the negotiating table when the 97th Legislature convenes in January 2013.

Thank you.

A handwritten signature in black ink that reads "John Cornack". The signature is written in a cursive, slightly slanted style.

John Cornack, President
CPAN

CC: Senate Majority Leader Richardville
Speaker Jase Bolger
Senate Minority Leader Whitmer
House Minority Leader Hammel
Members of the House and Senate