

**Phase I
Provider Survey Results from
a Study Tracking
Impact of Fee Changes in
No-Fault Auto Insurance Reform**

December 2021

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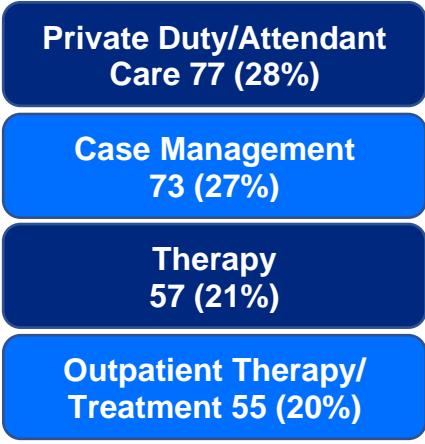
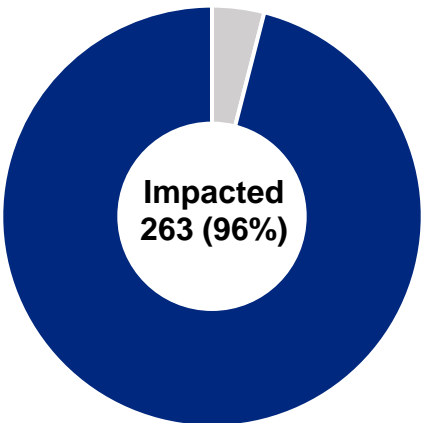
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Executive Summary

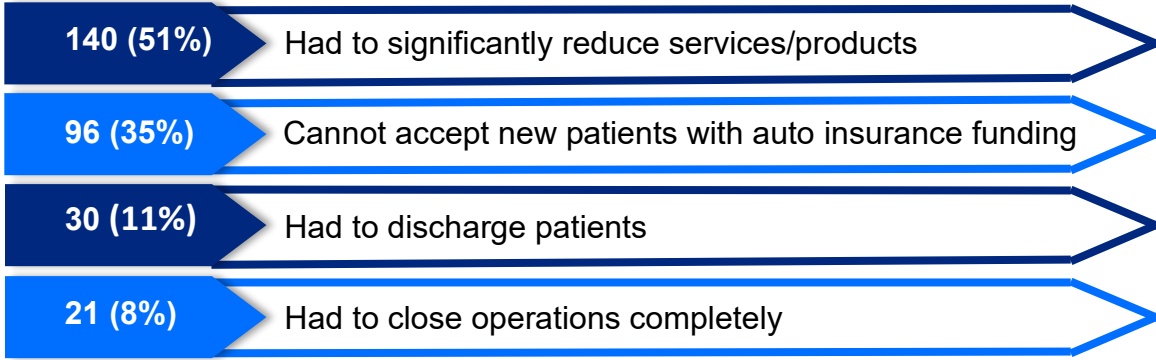
The Brain Injury Association of Michigan (BIAMI) commissioned this independent study by the Michigan Public Health Institute (MPHI) to document the impact of the fee structure changes in the 2019 Michigan no-fault auto insurance reform law, that took effect on July 1, 2021, on the availability of services for people with catastrophic injuries resulting from a car crash. MPHI was chosen because of its expertise and depth of understanding of public health research. This report summarizes the results from the first survey of brain injury service providers, distributed between September 29, 2021 and October 20, 2021. Two additional provider surveys are planned in 2022 to document this fluid situation.

Results

- 349 providers participated in the survey, representing 273 unique organizations that collectively had more than 16,296 employees, served more than 16,753 patients before July 1, 2021
- Out of 11,733 employees from the 140 organizations that provided employment data, **3,049 (26%) jobs were eliminated**
- Out of 16,751 patients served by the 208 organizations that provided patient discharge data, **1,548 (9%) patients had to be discharged**
- Top services provided were case management, private duty/attendant care, outpatient therapy/treatment, and therapy services
- 263 (96%) organizations reported that their services were impacted by the 55% reimbursement cap. The most impacted services are:



- The 55% reimbursement cap also impacted operations of the organizations:



- Despite 89 organizations reporting either no impact on services, no reduction in revenue, or no reduction in workforce, 56 (63%) of them reported that they anticipated not being able to serve patients with auto insurance funding within the next 12 months.

About this Study

Limitations

The target population of this survey are providers representing the organizations that provided services and care to auto crash survivors. However, MPHI does not have a mailing list of the target population. Therefore, the survey was distributed as a public link, sent to BIAMI’s networks and their members by BIAMI and partners. Although the networks are extensive, there is no way to know whether the survey invitation reached all target providers, and whether the respondents are representative of the target population.

This report should be viewed as initial impact from the no-fault auto insurance fee structure changes on the responding service providers. The follow-up surveys will add questions to understand how providers are impacted by 1) the 200% Medicare rate cap for covered services, and 2) the insurance companies’ utilization review processes.

MPHI Research Team

MPHI is a public-private partner with a variety of public health, government, and community organizations and is committed to conducting public health work based on strong scientific evidence and the needs of Michigan residents. This study is headed by Dr. Clare Tanner, director of the Center for Data Management and Translational Research (CDMTR). The team includes, Dr. Shaohui Zhai, Statistician; Dr. Issidoros Sarinopoulos, Senior Research Scientist; and Kayla Kubehl, Research Assistant, of CDMTR.

Methodology

Survey Development

The Auto Crash Service Providers Survey was collaboratively developed by MPHI and BIAMI in August and September 2021. The survey contained ten questions about their employer organizations, also collected individual names and contact information in order to recontact them for the subsequent surveys. MPHI researchers trained in survey development finalized all questions to ensure readability, clarity, and lack of bias.

Survey Implementation

The survey was implemented in REDCap (Research Electronic Data Capture) by MPHI. REDCap is a secure web application for building and managing online surveys and databases. While REDCap can be used to collect virtually any type of data in any environment (including compliance with 21 CFR Part 11, FISMA, HIPAA, and GDPR), it is specifically geared to support online and offline data capture for research studies and operations.

MPHI and BIAMI pre-tested the online survey internally before launching a pilot test. The pretest made sure that the survey was implemented as designed. The pilot test was conducted between September 3 and 21, 2021 with 5 providers. The survey went live on September 29, 2021.

Survey Distribution

The survey was distributed by BIAMI to their members and networks, between September 29 and October 20, 2021, using an invitation message developed by MPHI and BIAMI. The invitation contained a public survey link to the survey, instructions on how to access, complete, save, submit, and print out a PDF copy of the survey, as well as how to contact MPHI for questions and assistance. Two rounds of reminders were sent out by BIAMI.

Internal Review Board Approval

MPHI's Internal Review Board (IRB) operates following FDA regulations and is formally designated to review and monitor biomedical research involving human subjects with the authority to approve or disapprove research. This review is designed to ensure that researchers protect the rights and welfare of research participants. The IRB review assures that appropriate steps are taken to protect the rights and welfare of research participants. MPHI's IRB panel reviews research protocols and related materials to ensure protection of the rights and welfare of research participants.

The MPHI research team submitted a Human Participant Protections Application to the MPHI IRB, and provided all the project materials, including the consent page, the survey questions, the pilot testing protocol, and the survey distribution plan. The MPHI IRB approved the pilot testing on September 1, 2021, and the full approval of the project was granted on September 27, 2021.

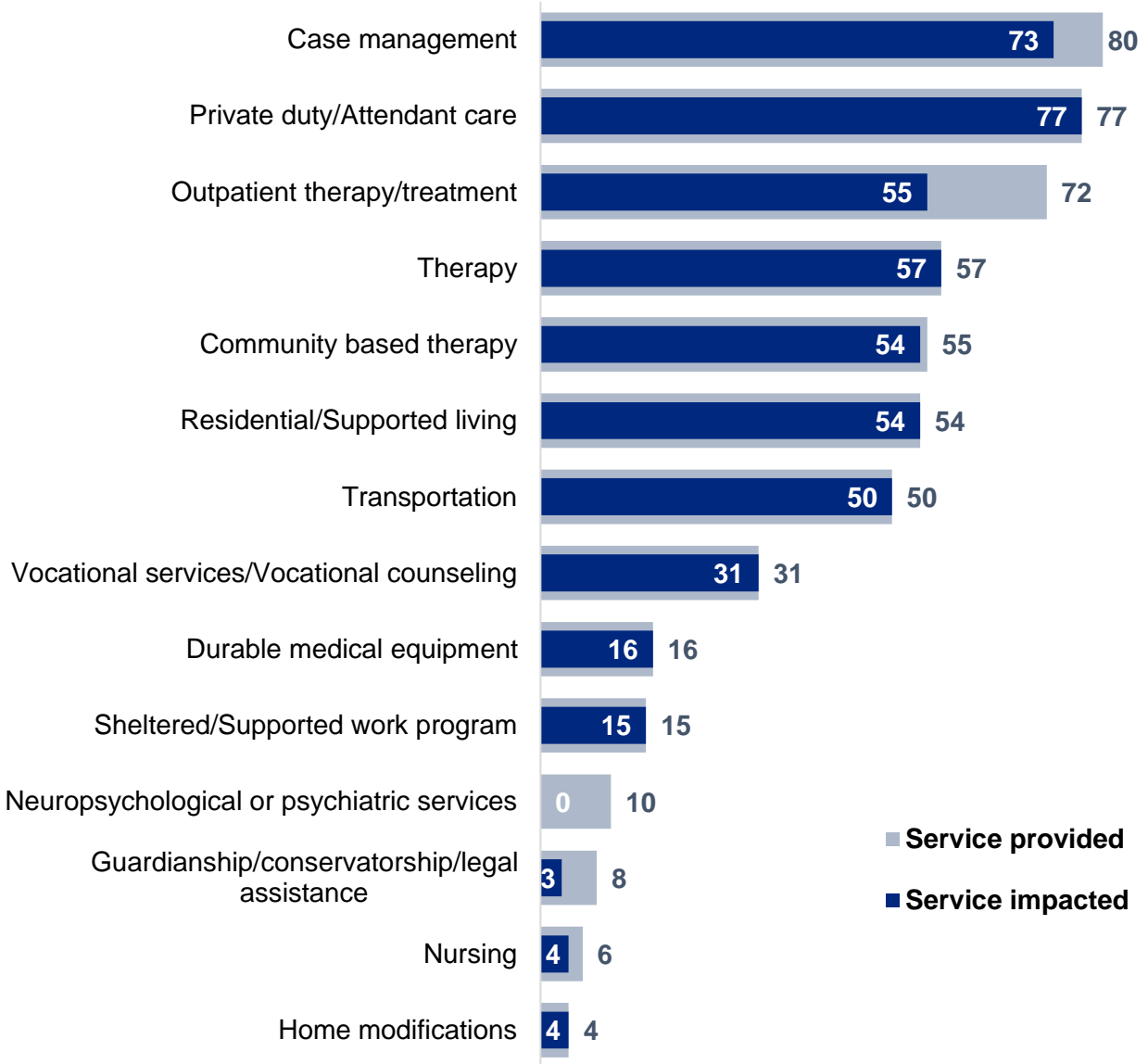
Provider Survey Results

A total of 349 providers participated in the first survey, representing 273 unique organizations that collectively had more than 16,296 employees, and served more than 16,753 patients.

Impact of the 55% reimbursement cap on services

Among the 273 organizations, 10 (4%) reported no impact on services, 263 (96%) reported impact on almost all the services provided.

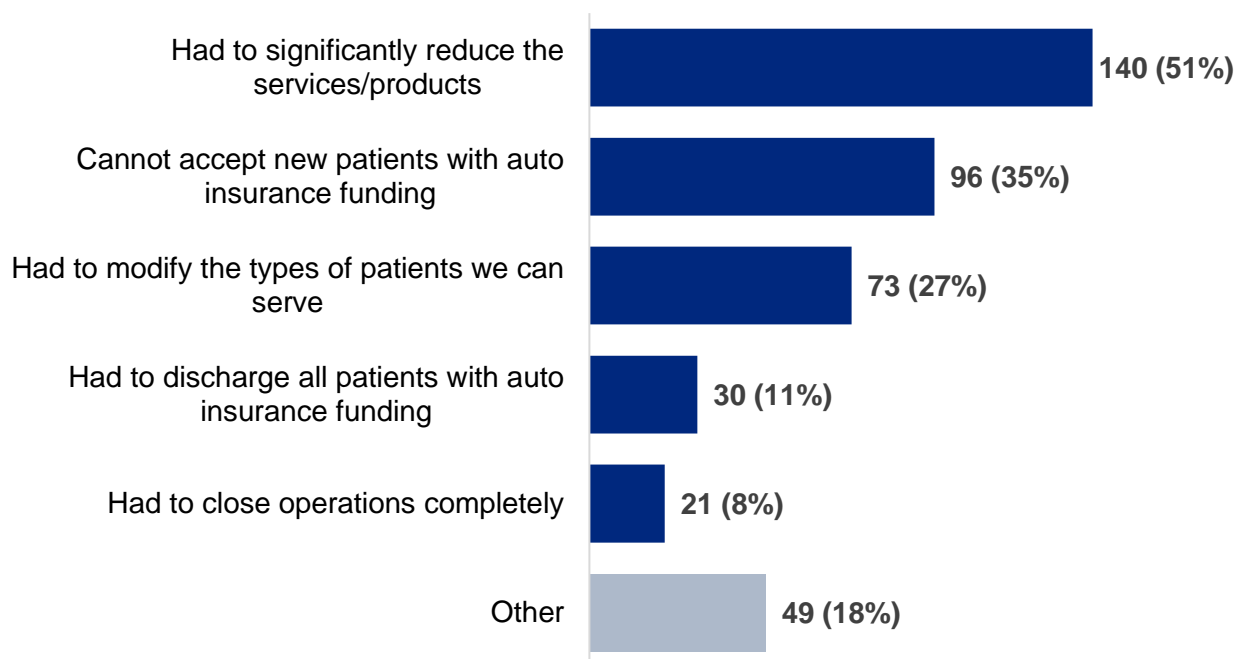
Services provided and impacted (n= 273 organizations)



Impact of the 55% reimbursement cap on operations

Providers were asked about the impact on the general operations of their organizations. About half (140, 51%) of the organizations reported having to significantly reduce their services and/or products. In addition to the answer options presented in the following chart, 49 (18%) organizations also reported other impacts, including difficulty getting reimbursement from insurance companies, having lost money, having to cut employees pay, having to downsize the workforce.

Impact on organizational operations (n=273 organizations)

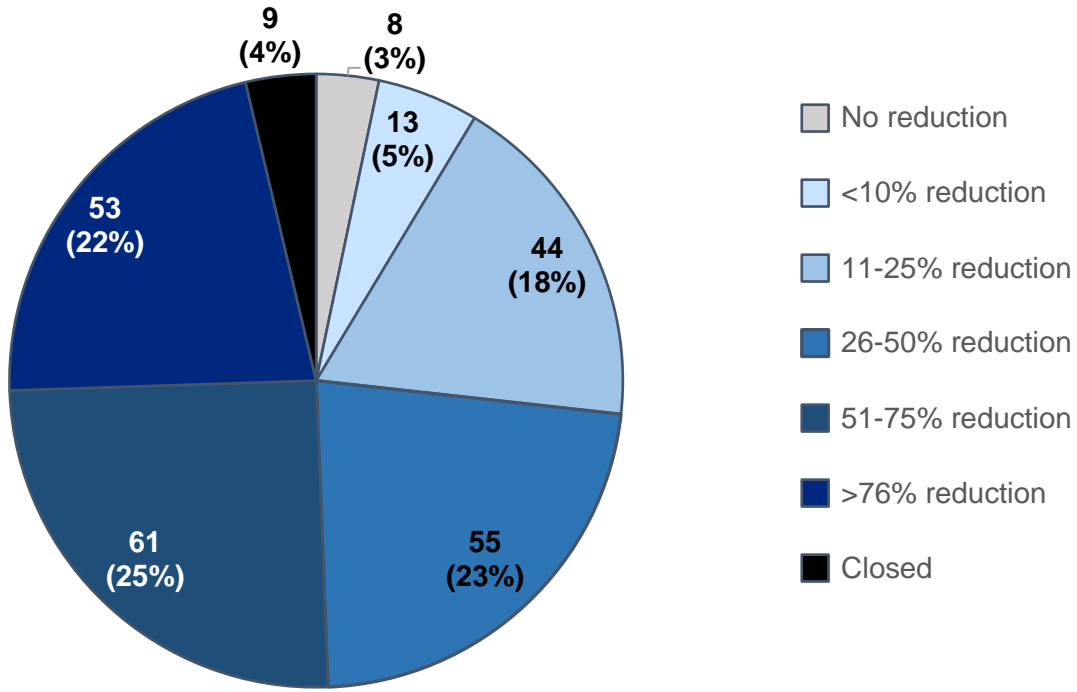


Impact of the 55% reimbursement cap on revenue, workforce, and patients

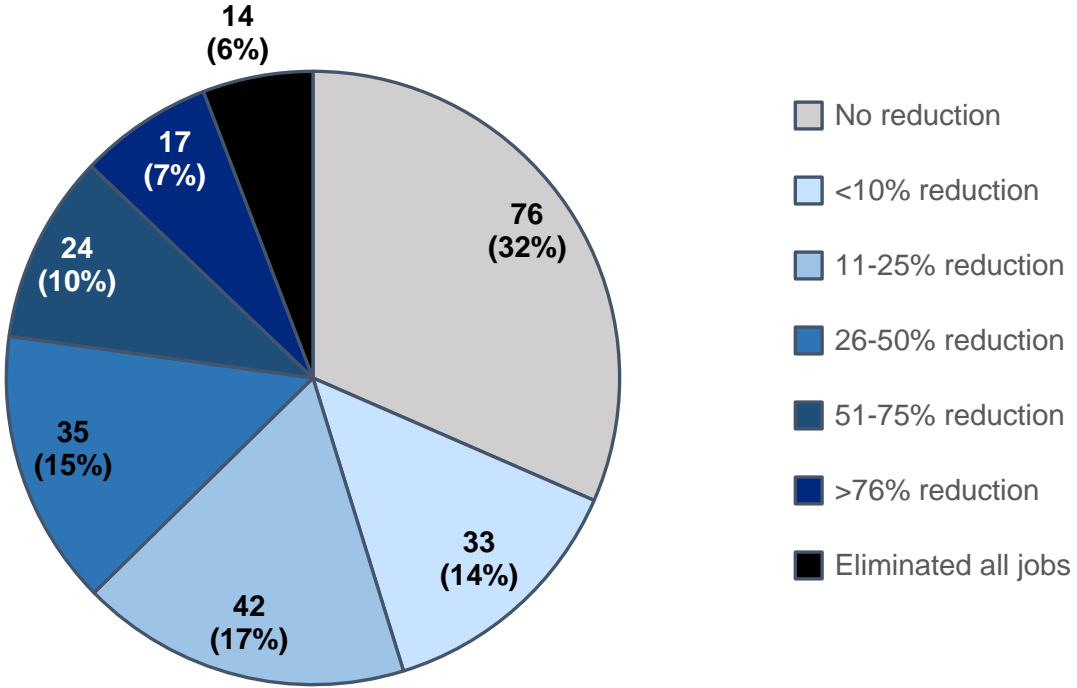
Providers were asked about the impacts on their organizational revenue, workforce, job losses, and patient discharges.

- 235 (97%) of the 243 organizations that responded to the revenue question reported a reduction in revenue, ranging from less than 10% reduction, to completely closed operations (chart below)
- 165 (68%) of the 241 organizations that responded to the workforce question reported a reduction in workforce, ranging from less than 10% reduction, to eliminating all jobs (chart below)
- The 140 organizations that provided both the employee and job loss numbers collectively experienced 3,049 job losses out of 11,733 employees (26%)
- The 208 organizations that provided both the patient and discharge numbers had to discharge a total of 1,548 out of 16,751 patients they served (9%).

Extent of revenue reduction to date reported by providers (n=243 organizations)



Extent of workforce reduction to date reported by providers (n=241 organizations)

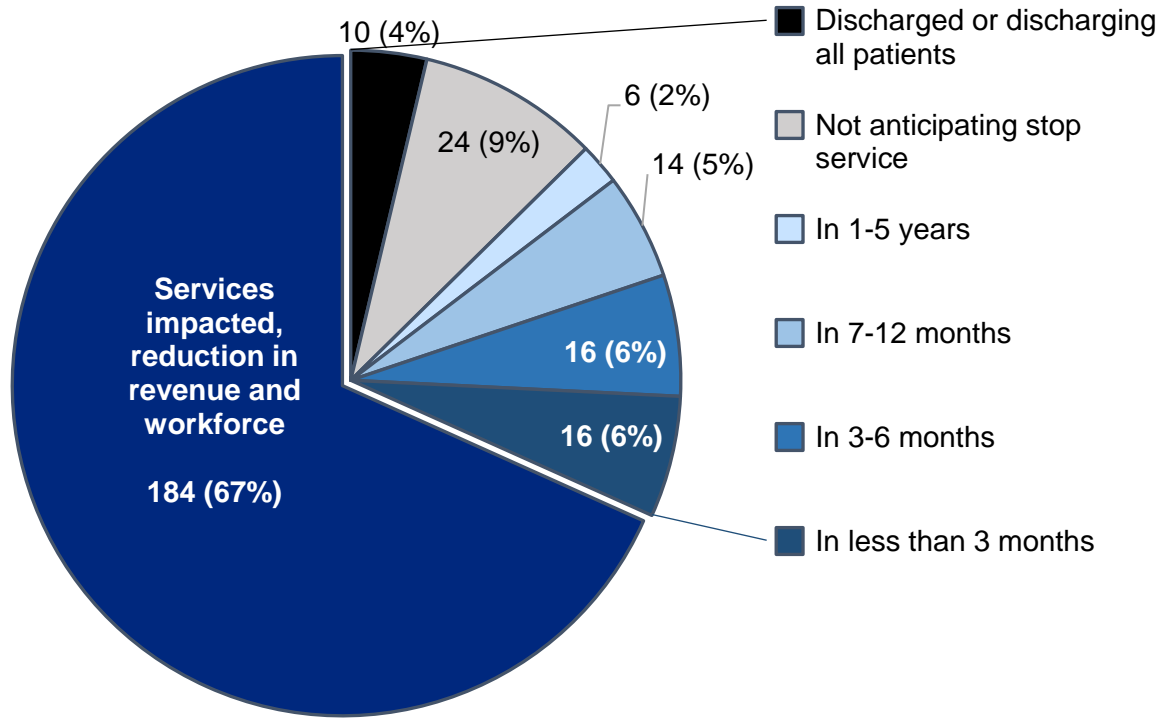


Forecasted continuing impact

184 (67%) organizations reported a reduction on both revenue and workforce, and impact on services. The rest 89 (33%) organizations who reported no impact to date in one or more areas surveyed (revenue, workforce, or services) were asked for how long they forecasted being able to continue their services to patients with auto insurance funding, and 86 of them provided an answer:

- 56 (63%) of the 89 organizations forecasted that they anticipate not being able to continue services within the next 12 months
- 24 (27%) of the 89 organizations forecasted they will be able to continue serving patients with auto insurance funding.

Forecasted length of time being able to continue services to patients with auto insurance funding (n=273 organizations)



Provider perspectives

Providers were asked to describe in their own words what these changes meant to them. Thematic qualitative analysis was conducted on the answers of all the providers who participated in the survey, regardless whether they represented the same organizations. 286 out of the 349 participating providers provided an answer. Responses fell within the following themes (from most to least common).

Financial loss or closures (n=129): Providers are at a financial loss since they are not being paid or reimbursed. Several have needed to dip into personal funds to keep their organizations operating or have needed to limit the services they provide to clients.

“I have had to endure the loss of revenue, a pay cut, limits on resources I can use with my clients.”

Transportation shortages (n=40): Transportation has become problematic and reduced, which prevents clients from receiving needed therapies and care. It takes time to regain progress from even one week of missed therapy.

“While the services that we provide have all been covered thus far, we have had several patients not be able to attend their treatment due to a loss of medical transportation and several patients are clearly deteriorating even with treatment due to a loss of attendant care and issues with case management services.”

Code confusion (n=36): Insurance codes have become an issue. Many providers have not needed these in the past and find the coding system confusing. Some do not know what codes to provide and find answers from the insurance companies unhelpful.

“The other unbelievable thing is that every insurance company and adjustor is doing something different and not consistently paying, they are not paying the required amount, or they send the bill back several times stating the right codes are not entered, and they don't offer any assistance as to what codes to use.”

Patient discharge (n=27): Providers have needed to discharge patients, or the organizations will continue to lose money. Many providers are no longer taking no fault auto patients. They fear negative outcomes could impact the community, and patients may end up in jail.

“The patients we serve are human beings that were unfortunately innocently injured catastrophically in a motor vehicle accident. It is horrendous that we are now being forced to discharge them because they have no resources or are being denied benefits when we have all been told that they are unlimited and lifetime for the injuries they sustained.”

Downsizing (n=23): Providers indicated the changes led them to lay off staff or downsize their organizations to adjust for lack of reimbursement.

“Other employees will need to be laid off to include case managers who have been with this organization for over 15 years, and administrative assistance for billing, invoicing, reports, etc.”

Aide shortages leading to worsening patient health (n=14): Lack of reimbursement led to aide shortages and decline in services available to patients. Providers attest to worsening health outcomes, including increase of seizures, pain, number of sleep disturbances, and overall stress.

“\$13.25 per hour for a CAN [certified nursing assistant] is less than what a high school student would earn working at McDonald's. PCA's [patient care assistant] are getting offered \$25-\$30 per hour in hospitals and the patients of ANF [auto no-fault funding] will not be able to find caregivers whether they work for an agency or 'make a deal' with the insurance companies.”

Unsustainable (n=12): The work providers complete cannot be sustained for much longer due to pay cut and will result in business closures if something is not changed soon.

“We have stayed in this fight for our clients and for staff but will not be able to sustain without some immediate changes.”

Inadequate insurance communication (n=12): Providers are frustrated with the lack of communication with insurance companies, including explanations regarding what services will be covered. Providers are also frustrated that they are providing the same services that were previously covered by insurance.

“Communication regarding billing with insurance companies has become more difficult as we used to be able to speak right to adjusters, who could make decisions, however now we are most often referred to processing companies by adjusters and then back to the adjusters by the processing companies, creating significant inefficiencies and frustrations for all.”

Stressed (n=5): Providers face increased stress in trying to work in the new system. They knew the law would occur but did not anticipate for the consequences that it would enact.

“I think we anticipated some cuts but didn't expect the insurance companies wouldn't pay at all.”

This project was funded by BIAMI.

The study was conducted by MPHI with assistance from BIAMI.

