October 5, 2011

To: Insurance House Committee Members

Dear Representatives,

I attended the October 4th insurance committee hearing on proposed House Bill 4936. I am opposed to the passage of this bill.

There is much to know about the issues of Michigan's 35 year old no-fault auto insurance. It was clear to me that the people of Michigan have spoken more than once at the ballot box to keep the no-fault auto insurance in place. Michigan has the only no-fault auto insurance with lifetime, medically necessary, benefits in the nation, and yet we rank 16th in cost and pay only $22.47 over the national average on an average liability premium. We should be proud of this, not trying to do away with it. This is an affordable, extraordinary insurance program. It is a safety net to all of us who drive in this state. Kudos to the legislators who conceived this original bill.

Do to the fact that regrettably, my son, Kurtis Weger, is one of the unfortunate 1% who has been catastrophically injured in an auto accident, I know more than I ever wanted to know about this system, and believe me I am most grateful it exists. I would like to clarify a couple of topics you questioned on the 4th.

First of all, bills turned in to the no-fault auto system, are not automatically paid, many have network discounts applied in accordance with preferred provider contracts, similar to what representative O'Brian discussed about a previous surgical billing experience. For example, my son's oxygen concentrator bills $200.00 and is paid $147.19.

Another question brought up, was how do medical providers make up for all these various discounts? From my personal experience as a business owner carrying major medical coverage, I know a small part of this answer. I found when I had annual blood work, not a covered benefit, I paid the full cost to the lab, whereas, when my injured son had similar annual blood work, a preferred provider discount was applied by the no-fault claims manager and he paid a great deal less. So those of us who are not as well insured pay full price, and help make up the discounted rates that larger groups like medicaid, medicare, worker's comp., no-fault auto and all the HMO's, PPO's, HAP, Blue-cross and other private insurance groups pay. To complicate things further different groups have different discounted payment scales. That is why the national government has spent so many years trying to reform healthcare. It's extremely complicated.

For my $14.00 a month I want the present no-fault auto coverage, best in the nation, we presently have, and the safety for all of us knowing it is there, heaven forbid we should need it.

Sincerely,

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