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O'Donnell: Reform insurance system now

Meagan O'Donnell The Detroit News

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Insurance is meant to be a lifeline. Yet for Carmen Burgie, a quadriplegic survivor of a 2001 car crash, it has become a battleground, where profits outweigh people. Her story reveals how insurers systemically deny rightful no-fault insurance claims, leaving catastrophically injured people to bear the cost or forego critical services.

Carmen's fight for care is rooted in Michigan's 2019 changes to the No-Fault Insurance Act, which introduced utilization reviews to assess medical necessity. Borrowed from health insurance practices, they were intended to curb overtreatment. But in a no-fault landscape designed to ensure long-term care for catastrophic injuries, they became a weapon to cut off medically necessary care.

In March 2024, Carmen's insurer denied payments for occupational and massage therapies. By August, they added physical therapy to the list. Why? Because the insurance company's utilization review doctor claimed the treatments weren't improving her quadriplegia. This baffling decision ignores the fundamental purpose of her care: preventing further decline and preserving her quality of life.

Carmen's doctors continue to provide care without pay, because they've treated her for years and refuse to abandon her. But this level of altruism is rare. Many patients lose access to treatment when doctors refuse to work for free. The system is counting on it. Those who fight back, like Carmen, are forced to endure delays, mounting legal fees and depositions designed to break their resolve.

Her story illustrates the cold efficiency of the insurance industry's strategy when it comes to denying claims. Insurers delay by demanding extra documentation and subjecting claims to

excessive scrutiny, exhausting patients and providers alike. They deny treatments based on utilization reviews from doctors with no fundamental understanding of the patient. Finally, when patients push back, insurers defend their denial through grueling legal battles.

The deeper issue is that, unlike most states, Michigan offers no meaningful penalties for insurers that act in bad faith. This imbalance creates a staggering double standard. While those who commit insurance fraud face severe consequences, corporations engaging in systemic denials operate with virtual impunity.

The absence of accountability has turned claims departments into profit centers, fundamentally undermining the purpose of insurance. The broader public pays the price too as insurers' record profits grow on the backs of those they're supposed to protect.

Recent efforts to pass legislative reform to fix this unjust system were unsuccessful. Proposals like Michigan's Insurance Policyholder Bill of Rights sought to level the playing field by penalizing insurers that engage in bad faith practices, protecting policyholders by discouraging unjustified denials and incentivizing fair treatment.

Michigan's policyholders must make their voices heard and demand reform to our insurance system.

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