

# WHIP'S HIGH POINTS

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## HB 13C & HB 15C: Personal Injury Protection Reform

Note: A sponsor amendment will be offered to HB 13C on the House Floor on Friday, October 5. This Highpoints explains the provisions of HB 13C *as if* that amendment has been incorporated into the bill.

Florida law requires that every driver carry personal injury protection insurance (PIP) to ensure that motorists involved in accidents have the ability to pay for their medical treatment and associated expenses. PIP pays the policyholder's benefits no matter who was at-fault for the accident. In other words, your insurance pays for your medical expenses, even if the accident was someone else's fault. The HB 13C will reduce the current system's vulnerability to waste and fraud. The reforms ensure reimbursement to reputable providers and fair billing. PIP will continue to require \$10,000 in coverage for 80% of medical expenses including ambulance, hospital, surgical, and clinic care; 60% of lost wages; 100% of replacement services; and \$5,000 in death benefits.

### **Combats fraud by limiting PIP reimbursement to *only* reputable and qualified care providers**

The bill limits payment for care to:

- Services ordered, provided, or prescribed by licensed M.D.'s, D.O.'s, chiropractors, and dentists;
  - Hospitals, physician assistants, ambulatory surgical centers, ambulance services;
  - Facilities owned by M.D.'s, D.O.'s, chiropractors, dentists, and hospitals; and
  - Other health care clinics that meet rigorous standards for specific accreditation or other limited criteria.
- Requires FSC to create form for insurance companies to verify claims and enforce reimbursable clinic qualifications.

### **Combats fraud by creating a fee schedule to control costs**

The new fee limitations allow reimbursement of charges according to:

- The usual and customary charges for physician and dentist services rendered in a hospital.
- 75% of the usual and customary charges of emergency services and care provided by a hospital.
- 200% of services provided by Medicare (no less than 2007 schedule).
- If services are not reimbursable under Medicare, the insurer may apply a maximum limit on charges equal to the maximum reimbursable allowance under Workers' Compensation.
- All other services, supplies, or care that are not reimbursable under Medicare or Workers' Compensation are not required to be reimbursed by the insurer.
- Ensures availability of ER doctors, hospital dentists, and inpatient consults by reserving \$5,000 of the benefit for them before all other claims are paid.
- Eligible services are reimbursable regardless of the provider's specialty.

### **Additional reforms**

- Allows the Attorney General to investigate capricious denials of meritorious claims by insurance companies by specifying that such actions constitute an unfair trade practice subject to penalty under the Insurance Code.
- Gives additional 15 days for insurance companies to verify validity of claims after the filing of a demand letter.
- Promotes efficient means of dispute resolution by allowing consolidation of similar claims.
- Allows electronic transfer of information for greater efficiency upon express consent of all parties.
- PIP is mandatory with the applicable reforms stated in this bill on January 1, 2008. In the interim, PIP is voluntary. Tort immunity will apply in limited cases.

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