

Changes in Florida PIP

Repeal Effective 10/1/2007
Reenactment at 2007 Special Session
Provisions of CS/HB 13C
OIR and Industry Responses

Repeal of No-Fault Law

- Reforms enacted in 2003 and 2001
 - Fraud prevention
 - Unnecessary diagnostic tests
 - Prohibit solicitation
 - Increased penalties
 - Fund investigators, prosecutors
 - Fee schedule for MRI, ultrasound, EMG
 - License medical clinics
 - Outlaw payments to brokers
 - Restrict access to accident reports
 - Notice before filing suit
 - Sunset date of 10/1/2007
-

2007 Special Session C

Favoring Repeal

- Large insurers
- Lower costs
- Cannot be fixed
- Already in progress

Favoring Revival

- Nonstandard and PIP/PD insurers
 - Hospitals and medical providers
 - Agents
 - Local governments
-

Provisions of CS/HB 13C

- Requires proof of PD liability in the car and at registration as of 1/1/2008
 - Requires insurers to report cancellations, nonrenewals, and new policies written to DHSMV as of 1/1/2008
 - Limits providers that can order, prescribe, or supervise services to
 - Physicians and Osteopaths
 - Dentists
 - Chiropractors
-

Provisions of CS/HB 13C

- Limits entities that can provide services to
 - Hospitals and ambulatory surgical centers
 - EMS
 - Entities wholly owned by physicians, dentists, chiropractors or their immediate relatives
 - Entities wholly owned by hospitals
 - Licensed and accredited healthcare clinics
 - Licensed but not accredited healthcare clinics that
 - Have a physician, osteopath, or chiropractor medical director AND
 - Continuous license for 3 years or publicly traded AND
 - Provide at least four of seven listed medical specialties
-

Provisions of CS/HB 13C

- Fee schedule
 - Emergency transport and treatment – 200% of Medicare
 - Emergency services provided by a hospital – 75% of usual and customary
 - Emergency services by a physician in a hospital – usual and customary charge
 - Hospital inpatient non-emergency - 200% of Medicare Part A
 - Hospital outpatient non-emergency – 200% of Medicare Part A Ambulatory Payment Class
 - All other – 200% of applicable Medicare Part B fee schedule, if reimbursable thereunder
 - Otherwise 80% of maximum reimbursable allowance under workers' compensation, if reimbursable, or 0.
-

Provisions of CS/HB 13C

- Fee schedule
 - No utilization limits applicable
 - No balance billing by provider except for coinsurance or amounts above policy limits
 - No decreases in Medicare Part B are enforceable
 - 30 day “Reserve” set aside
 - \$5,000 worth of benefits
 - For physicians, osteopaths, or dentists who provide emergency services or hospital inpatient care
 - Time runs from receipt of notice of an accident and includes all notices of claim received
 - Suspends insurer overdue penalties
-

Provisions of CS/HB 13C

Demand letter

- Time to pay claim without attorney's fees extended from 15 to 30 days after receipt by insurer

Single action

- Civil suits for recovery of PIP benefits by one claimant against one insurer relating to the one health care provider must be brought in one action, barring "good cause" for multiple actions.
-

Provisions of CS/HB 13C

- ❑ Effective date – in-force policies on January 1, 2008
 - ❑ Forms and rates – those in effect September 30, 2007 until new ones are used as authorized by law
 - ❑ November 15, 1997 – notice to insureds of PIP requirement and additional premium due on or after 1/1/2008, if any
-

Provisions of CS/HB 13C

- Tort threshold 10/11/2007 to 1/1/2008 applies if and only if both parties are insured for PIP as defined on 9/30/2007
 - Effect on one way attorney's fees - Nil
-

OIR and industry responses

- PIP sunset filings – decrease or increase?
 - PIP revival filings – with increases?
 - OIR order to restore 9/30/2007 rates
 - OIR permission to withdraw sunset filings
 - “Voluntary” PIP in fourth quarter 2007
 - Outlook for 2008 and beyond
-