

FLORIDA NO-FAULT INSURANCE IS RESSURECTED BY THE LEGISLATURE

On October 5, 2007, the Florida Legislature passed HB 13C reviving Florida's No-Fault auto insurance program, which had previously expired as of October 1, 2007. Prior to October 1, 2007, Florida law required that every driver carry Personal Injury Protection (PIP), to ensure that motorists involved in accidents had the ability to pay for their medical treatment. PIP would pay the policy holder's benefits no matter who was at fault. Medical expenses and lost wages were paid up to \$10,000.00 under the PIP policy.

Following the expiration of PIP on October 1, 2007, the Florida Legislature reconvened in Special Session to address certain issues including the reinstatement of the Personal Injury Protection Law. HB 13C will continue to require \$10,000.00 in coverage for 80% of medical expenses, including ambulance, hospital, surgical and clinical care, 60% of lost wages, 100% of replacement services and \$5,000.00 in death benefits.

Specifically, the Bill limits payment for medical care to licensed Md.'s, Do.'s, chiropractors and dentists, including hospitals, physician assistants, ambulatory surgical centers and ambulance services.

One of the most significant changes is the creation of a medical fee reimbursement schedule in an effort to control cost of medical care. Medicare and Florida Workers' Compensation medical fee reimbursement schedules will be the benchmarks for how much a provider may charge the insurance company for the services rendered. Specifically, the fee schedule allows reimbursement of charges according to the usual and customary charges for physicians 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 in accordance with the Medicare Fee Schedule. If the services are not reimbursable under Medicare, the Insurer may apply a maximum limit on charges equal to the maximum reimbursable allowance under the Workers' Compensation Fee Schedule.

Under the previous law, if the Insurer failed to provide a health care provider within thirty days, the provider could not sue the insurance company until the demand letter was sent. Once a demand letter was sent, the Insurer had fifteen days to pay the claim, plus interest and up to a \$250.00 penalty. However, under the new law in HB 13C, the Insurer now has thirty days after a demand letter is filed to pay the claim, plus interest and up to a \$250.00 penalty. An Insurer will now have up to sixty days to investigate a claim before being liable for attorney's fees.

The Bill also grants the Attorney General additional powers to investigate those who are found to systematically and wrongly deny PIP reimbursement claims. Unlike the previous PIP law which required insurance companies to reimburse health care providers in the order of billing receipts, HB 13C allows doctors and dentists who serve at hospitals, priority for reimbursement before subsequent providers. The Bill provides that \$5,000.00 of PIP coverage may only be used to pay claims for hospital physicians and dentists until thirty days after the date the Insurer receives notice of the accident.

Finally, the Bill streamlines claims processing by requiring the joinder of similar claims and encouraging the use of electronic transmissions. The Bill would become law effective January 1, 2008. For a complete copy of the Bill as enacted, click on the following link: http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=_h0013Cer.doc&DocumentType=Bill&BillNumber=0013C&Session=2007C