

WHIP'S HIGH POINTS

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Personal Injury Protection Reform

The bill reduces the mandatory personal injury protection (PIP) insurance system's vulnerability to waste and fraud while ensuring reimbursement for medically necessary care. The bill ensures that patients get the treatment they need, requires fair billing by providers, limits excessive attorney's fees for minor claims, and protects consumers from insurance companies that unfairly deny meritorious claims.

Continues to provide \$10,000 in coverage for:

- Emergency transport from an automobile accident.
- Emergency treatment in a hospital when the patient presents within three days of the accident.
- Surgery and surgical aftercare.
- Lost wages.

Provides coverage for all other services up to the lesser of \$5,000 or the remaining balance from emergency or surgical care. The greatest risk of fraud occurs with non-emergency/ non-surgical care.

- Reducing the total amount eligible for reimbursement will reduce the incentive for fraud while continuing to provide medically necessary services.
- Unscrupulous providers will be screened out of the system through certain new requirements. Only medically necessary services may be covered. In order to be covered, medically necessary services must be ordered or provided by practitioners that work in a hospital, doctor-owned clinic, or other specified establishments.
- Practitioners qualified to order treatment include licensed medical and osteopathic doctors, chiropractors, and dentists.
- Funeral benefits.

Increases the benefit to the consumer by eliminating the 20% co-pay and the option for the \$2,000 deductible.

Limits excessive attorney fees for minor claims by authorizing a fee of the greater of \$5,000 or three times the amount secured by the attorney.

Restrains excessive billing by requiring providers to charge no more than the usual and customary amounts for similar services in the community.

Encourages insurance companies to contract with existing managed care networks and health care providers to offer an **optional managed care policy at a lower premium**. If a managed care policy is selected, a deductible will apply for treatment rendered by a non-network provider.

Combats 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.

Allocates **\$2 million for local law enforcement** to prosecute insurance claims fraud.

Sunsets the new mandatory minimum coverage will **after 5 years**.