

## **NO-FAULT: BILLING FOR PIP CHARGES**

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### **House Bill 4020**

**Sponsor: Rep. Roger Kahn**

**Committee: Insurance**

**Complete to 6-14-06**

### **A REVISED SUMMARY OF HOUSE BILL 4020 AS INTRODUCED 1-27-05**

The bill would amend sections of the No-Fault Automobile Insurance Act (within the Insurance Code) dealing with personal injury protection benefits in the following ways.

\*\* Charges by health care providers and institutions billed by paper would have to use the same claim forms and coding policies required under Title XVIII of the Social Security Act (Medicare) and the same code sets required under the standards for electronic transmission under the federal Health Insurance Portability and Accountability Act of 1996. If an insurance company establishes an electronic claims submission process and charges are billed electronically, those charges would have to meet the same requirements.

\*\* If claim forms, coding policies, or standards for electronic transactions found in federal law are subsequently amended, the Commissioner of the Office of Financial and Insurance Services (OFIS) would determine if the changes would apply to charges submitted under the No-Fault Act. In making this determination, the commissioner would consider whether the amendments further the goal of uniform submission of charges.

\*\* All charges would have to be billed to the appropriate insurance company within 60 days after each product or service is rendered or within 60 days after the date the individual or institution knew or should have known the identity of the appropriate insurer, whichever is later.

\*\* All initial and subsequent charges billed to an insurer or the injured person would have to be accompanied by updated treatment notes indicating diagnosis and further treatment plans. The treatment notes and plans would have to be provided at no cost to the insurer or injured person.

\*\* A physician, hospital, clinic, or other individual or institution lawfully rendering treatment in the state to an injured person for an accidental bodily injury covered by personal injury protection insurance, and an individual or institution providing rehabilitative occupational training following the injury, would have to be fully licensed or registered as required by the state to render such treatment or training.

\*\* Charges submitted that do not comply with the bill's provisions would not be payable by the insurer or the injured person and could not be considered received or overdue.

MCL 500.3157

**FISCAL IMPACT:**

There is no significant fiscal impact on the State of Michigan or its local units of government.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.