

Legislative Analysis



NO-FAULT: BILLING FOR PIP CHARGES

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4020 (Substitute H-5)

Sponsor: Rep. Roger Kahn

Committee: Insurance

Complete to 6-26-06

A PRELIMINARY SUMMARY OF HOUSE BILL 4020 AS REPORTED FROM COMMITTEE

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.

** All charges (except for those by a hospital) would have to be submitted on behalf of an injured person to the appropriate insurance company within 90 days after each product or service is rendered or within 90 days after the date the individual or institution knew or should have known the identity of the appropriate insurer, whichever was later. (Charges would be submitted to an auto insurer or, in the case of coordinate coverage, another third-party payer.)

** For charges by a hospital, however, the deadline for submitting charges would be 365 days until October 1, 2007; 335 days as of October 1, 2007; and then would be reduced by 30 days on October 1 of each subsequent year. As of October 1, 2013, charges by a hospital would have to be submitted on behalf of an injured person within 180 days after each product or service was rendered or within 180 days after the hospital knew or should have known the identity of the appropriate insurer, whichever was later.

** The applicable time periods cited above would be tolled from the date of submission to a third-party payer to the date the person or institution receives a response from the third-party payer. The auto insurer would have to extend the time period if a person or institution submitted written proof providing clear and reasonable justification for failure to comply.

** An injured person would not be required to pay charges submitted that were not in compliance with the bill's provisions.

MCL 500.3157

FISCAL IMPACT:

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

Legislative Analyst: Chris Couch
Fiscal Analyst: Richard Child

■ 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.