



# DOWNSBRILL WHITEHEAD

THE LAW FIRM

"...to every one their due"

## THE PIP LAW CHANGES JANUARY 1, 2008. IS YOUR OFFICE PREPARED FOR THE NEW STATUTE?

As you are aware, the PIP statute recently sunsetted as of October 1<sup>st</sup>, 2007. Miraculously, the Florida legislature reenacted the law shortly thereafter in October, 2007. While some changes may not seem applicable to your office, it is necessary for you to be aware of the changes. The new law is designed to reduce fraud. Arguably, the new statute does little to curb fraudulent claims and only serve to increase paperwork for medical providers and give the insurance companies additional time to pay claims. In any event, a provider who fails to comply with the changes risks denial or unnecessary delay in payment of compensable PIP claims.

In an effort to keep our clients up to date with the new amendments to the No-Fault law, we developed an overview of some the changes which may effect your practice. The new law will go into effect on January 1, 2008, so it is imperative your office prepare for the changes as soon as possible. A brief list of some the notable changes is provided below (*this list does not include all the statutory changes to the law*). All existing billing requirements remain in effect.

\* PIP insurance companies still are required to pay 80% of all reasonable expenses for medically necessary medical services up to the limits, however, the services must be lawfully provided, supervised, ordered or prescribed by a physician licensed under chapter 458 or chapter 459, a dentist licensed under chapter 466, or a chiropractic physician licensed under chapter 460 or that are provided by a laundry list of persons or entities. *Please review the enclosed 2 page list of persons or entities promulgated by the legislature and verify that you meet these requirements if you do not meet the above.*

\* Health care clinics (as defined in the enclosed materials) will be required to submit a form to an insurer which proves the clinic:

1. Has a medical director licensed under chapter 458 (medical practice), 459 (osteopathic medicine) or 460 (chiropractic medicine)
2. Has been continuously licensed for more than 3 years, *and*
3. Provides at least four of the following medical specialties: general medicine, radiography, orthopedic medicine, physical medicine, physical therapy, physical rehabilitation, prescribing or dispensing outpatient prescription medication, or laboratory services.

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**Respond to Miami-Dade Office**

NOTE: The Financial Services Commission will provide the form. Be sure to check its website for updates or contact our office for more information.

\* Upon receiving notice of an accident that is covered by PIP benefits, the insurer must reserve \$5,000.00 in benefits for payment to physicians licensed under chapter 458 or 459, dentists licensed under chapter 466 *who provide emergency services and care*, or who provide hospital inpatient care.

There is a 30 day time period that the insurer is required to keep this money in reserve. After that time period expires, the insurer can use that money to pay other claims. However, the normal 30 day time period imposed on the insurance company is now tolled (extended) for the period of time that the insurer is required to hold payment of a claim for non-emergency care physicians/services.

\* A fee schedule for non-emergency medical services. The statute permits insurers to reimburse clinics at 200% of the Medicare Part B fee schedule for the specific geographic region (2007). There is no CPI adjustment as of this date. If the service does not qualify for Medicare Part B reimbursement, limited to 80% of maximum allowance under workers' compensation. A provider may not bill or attempt to collect from the patient any amount in excess of such limits, except for amounts not covered by PIP due to coinsurance amount or maximum policy limits.

\* Should a provider file suit against an insurer for unpaid PIP benefits, the provider must consolidate all of its outstanding bills for the patient into one lawsuit against the insurer. In other words, a provider cannot file a separate law suits for each set of bills due and owing.

\* An insurer is now given 30 days (instead of 15 days) to respond to a demand letter before a provider may file a lawsuit for unpaid PIP benefits.

What do these changes mean for you? First and foremost, verify that you meet the minimum requirements to bill a PIP insurance carrier. If you do not provide the necessary form, you will not receive payment. You must check the Financial Services Commission's website to access the new form you will be required to submit to PIP carriers.

You should be prepared to bill PIP carriers 200% of the Medicare Part B fee schedule for any services rendered after January 1, 2008. Make sure the billing system you use is preset to bill PIP insurance companies at 200% of the Medicare Part B fee schedule for the specific geographic region (2007).

While these changes are designed to reduce fraud, they create a few new hurdles for PIP medical care providers. It is imperative you are pro-active to insure your practice is ready for the new law. You certainly do not want claims denied or delayed due to a failure to comply with these statutory changes. These changes could result in lost revenue if you are not prepared.

At Downs Brill Whitehead, we strive to keep our clients aware of changes in the law which could effect our clients' business. We hope this informative letter provides you with the necessary guidance and understanding of the new PIP statute and the necessary steps your business will face in order to receive compensation. Should you have any questions about the new law or any other PIP issues, please do not hesitate to contact us.

This letter is not intended to render any legal advise or opinion. Please research the law and contact a health care practitioner or attorney well versed in PIP litigation regarding the statutory changes and new requirements. This letter is intended merely to provide an overview of the new law and some preliminary guidance for your practice.