

1 **PERSONAL INJURY PROTECTION INSURANCE**

2 **AMENDMENTS**

3 2012 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Allen M. Christensen**

6 House Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Insurance Code by amending provisions relating to personal
11 injury protection insurance.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ provides that an insurer that provides personal injury protection coverage under this
15 section may not discount the reimbursement for a medical expense in excess of the
16 amount of the reasonable value of that medical expense as determined by the
17 relative value study unless the increased discount is allowed through a contract
18 between:

- 19 • the medical provider; and
- 20 • the insurer that provides the personal injury protection coverage **§→ [-] ;**

20a ▶ **provides that the medical provider will accept the payments made pursuant to the**
20b **Utah RVS fee schedule for covered services as full and final payment and may not submit the**
20c **balance of the bill to the patient; and**

20d ▶ **provides that the original amount of the medical provider's bill shall be used for**
20e **purposes of determining whether a person who has or is required to have direct benefit**
20f **coverage under a policy which includes personal injury protection may maintain a cause of**
20g **action for general damages arising out of personal injuries alleged to have been caused by an**
20h **automobile accident.** ←**§**



21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **31A-22-307**, as last amended by Laws of Utah 2006, Chapter 197

28

29 *Be it enacted by the Legislature of the state of Utah:*

30 Section 1. Section **31A-22-307** is amended to read:

31 **31A-22-307. Personal injury protection coverages and benefits.**

32 (1) Personal injury protection coverages and benefits include:

33 (a) up to the minimum amount required coverage of not less than \$3,000 per person,
34 the reasonable value of all expenses for necessary:

35 (i) medical services;

36 (ii) surgical services;

37 (iii) X-ray services;

38 (iv) dental services;

39 (v) rehabilitation services, including prosthetic devices;

40 (vi) ambulance services;

41 (vii) hospital services; and

42 (viii) nursing services;

43 (b) (i) the lesser of \$250 per week or 85% of any loss of gross income and loss of
44 earning capacity per person from inability to work, for a maximum of 52 consecutive weeks
45 after the loss, except that this benefit need not be paid for the first three days of disability,
46 unless the disability continues for longer than two consecutive weeks after the date of injury;
47 and

48 (ii) a special damage allowance not exceeding \$20 per day for a maximum of 365 days,
49 for services actually rendered or expenses reasonably incurred for services that, but for the
50 injury, the injured person would have performed for the injured person's household, except that
51 this benefit need not be paid for the first three days after the date of injury unless the person's
52 inability to perform these services continues for more than two consecutive weeks;

53 (c) funeral, burial, or cremation benefits not to exceed a total of \$1,500 per person; and

54 (d) compensation on account of death of a person, payable to the person's heirs, in the
55 total of \$3,000.

56 (2) (a) (i) To determine the reasonable value of the medical expenses provided for in
57 Subsection (1) and under Subsection 31A-22-309(1)(a)(v), the commissioner shall conduct a
58 relative value study of services and accommodations for the diagnosis, care, recovery, or

59 rehabilitation of an injured person in the most populous county in the state to assign a unit
60 value and determine the 75th percentile charge for each type of service and accommodation.

61 (ii) The relative value study shall be updated every other year.

62 (iii) In conducting the relative value study, the department may consult or contract with
63 appropriate public and private medical and health agencies or other technical experts.

64 (iv) The costs and expenses incurred in conducting, maintaining, and administering the
65 relative value study shall be funded by the tax created under Section 59-9-105.

66 (v) Upon completion of the relative value study, the department shall prepare and
67 publish a relative value study which sets forth the unit value and the 75th percentile charge
68 assigned to each type of service and accommodation.

69 (b) (i) The reasonable value of any service or accommodation is determined by
70 applying the unit value and the 75th percentile charge assigned to the service or
71 accommodation under the relative value study.

72 (ii) If a service or accommodation is not assigned a unit value or the 75th percentile
73 charge under the relative value study, the value of the service or accommodation shall equal the
74 reasonable cost of the same or similar service or accommodation in the most populous county
75 of this state.

76 (c) This Subsection (2) does not preclude the department from adopting a schedule
77 already established or a schedule prepared by persons outside the department, if it meets the
78 requirements of this Subsection (2).

79 (d) Every insurer shall report to the commissioner any pattern of overcharging,
80 excessive treatment, or other improper actions by a health provider within 30 days after the day
81 on which the insurer has knowledge of the pattern.

82 (e) (i) In disputed cases, a court on its own motion or on the motion of either party,
83 may designate an impartial medical panel of not more than three licensed physicians to
84 examine the claimant and testify on the issue of the reasonable value of the claimant's medical
85 services or expenses.

86 (ii) An impartial medical panel designated under Subsection (2)(e)(i) shall consist of a
87 majority of health care professionals within the same license classification and specialty as the
88 provider of the claimant's medical services or expenses.

89 (f) An insurer that provides personal injury protection coverage under this section may

90 not discount the reimbursement for a medical expense in excess of the
 91 reasonable value of the medical expense as determined by the relative value study under
 92 Subsection (2)(b) unless the increased discount is allowed through a contract between:

93 (i) the medical provider; and

94 (ii) the insurer that provides the personal injury protection coverage.

94a **§→ (g)(i) The medical provider will accept the payments made pursuant to the Utah**
 94b **RVS fee schedule for covered services as full and final payment and may not submit the**
 94c **balance of the bill to the patient.**

94d **(ii) The original amount of the medical provider's bill shall be used for purposes of**
 94e **determining whether the requirement of Section 31A-22-309(1)(a)(v) has been met. ←§**

95 (3) Medical expenses as provided for in Subsection (1)(a) and in Subsection
 96 31A-22-309(1)(a)(v) include expenses for any nonmedical remedial care and treatment
 97 rendered in accordance with a recognized religious method of healing.

98 (4) The insured may waive for the named insured and the named insured's spouse only
 99 the loss of gross income benefits of Subsection (1)(b)(i) if the insured states in writing that:

100 (a) within 31 days of applying for coverage, neither the insured nor the insured's spouse
 101 received any earned income from regular employment; and

102 (b) for at least 180 days from the date of the writing and during the period of insurance,
 103 neither the insured nor the insured's spouse will receive earned income from regular
 104 employment.

105 (5) This section does not:

106 (a) prohibit the issuance of a policy of insurance providing coverages greater than the
 107 minimum coverage required under this chapter; or

108 (b) require the segregation of those minimum coverages from other coverages in the
 109 same policy.

110 (6) Deductibles are not permitted with respect to the insurance coverages required
 111 under this section.

Legislative Review Note
as of 2-16-12 5:05 PM

Office of Legislative Research and General Counsel