STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Bulletin 2021-35-INS

In the matter of:

Timely Payment of PIP Benefits
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Issued and entered
this 22nd day of September 2021
by Anita G. Fox
Director

It has come to the Director's attention that many health care providers and other persons providing products, services, and accommodations payable under personal protection insurance (PIP) policies are experiencing delays in receiving reimbursement from auto insurers. This bulletin set forth the Department's expectations for providers and insurers to ensure timely and appropriate payment of benefits.

Under MCL 500.3142, PIP benefits are overdue if not paid within 30 days after an insurer receives reasonable proof of the fact and of the amount of loss sustained. If a bill is not provided to an insurer within 90 days after the product, service, accommodations, or training is provided, the insurer has 90 days to pay before the benefits are overdue. MCL 500.3142(3). Overdue payments bear simple interest at the rate of 12% per annum. MCL 500.3142(4).

In the case of treatment or training payable under MCL 500.3157, if a provider has submitted a bill to an insurer but has not correctly coded a particular product, service, or accommodation that is payable under Medicare, the provider may need to re-submit the bill to the insurer with the appropriate code. As insurers and providers alike adjust to the new law, insurers are expected to engage in a dialogue with providers to assist them in understanding the insurer's review of the provider's bills; and to expedite bills resubmitted with corrected codes. Insurers are advised that the Department will carefully scrutinize complaints in which an insurer has repeatedly rejected a provider's bills without offering assistance.

The Department expects providers and insurers to attempt to resolve billing and coding disputes informally, as they have customarily done prior to the implementation of the fee schedule. In addition, insurers should provide reasonable assistance to ensure that the insurer's billing and coding requirements are clearly conveyed to providers and their billers.

If an insurer has issued a determination or denied a bill on the basis that the provider rendered inappropriate products, services, or accommodations, or that the cost was inappropriate under Chapter 31 of the Code, the provider is entitled to file a provider appeal with the Department's Utilization Review program. Providers are advised, however, that under the Insurance Code, the Utilization Review process is available only to resolve questions of medical necessity or appropriateness of cost. The Department's Utilization Review program cannot be used to resolve billing or coding disputes that occur prior to a formal determination issued by the insurer as to the medical necessity or appropriateness of cost. Providers are strongly encouraged to review DIFS' Health Care Provider's Guide to Michigan's Auto Insurance Utilization

Review Process prior to filing an appeal.

Any questions regarding this bulletin should be directed to:

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/s/

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Anita G. Fox
Director