

July 24, 2003

An important decision rendered by the 5th District Court of Appeals has an impact on past and future claims in PIP insurance.

Dear FOS Members,

The Florida Orthopaedic Society entered an amicus brief drafted by the law firm of Watson & Lentner expressing our belief that Silent PPO's violate the state statutes in terms of authorized PPO relationships. In a decision rendered last month, the 5th DCA sided with our interpretation of current law. The outcome of this case has a direct and substantial economic impact on numerous orthopaedic surgeons in Florida who had PIP bills illegally reduced pursuant to Beechstreet, CCN, MedView and other third party PPO contracts. In many instances these illegal reductions exceeded 50% of the amount billed.

Agreeing with the arguments made on behalf of the FOS and other provider groups the 5th DCA held that section 627.736 (10) of the Florida Statutes provides the exclusive means by which an insurance company can pay PPO rates for PIP benefits, and that since Nationwide had failed to comply with the terms of the statute, it was not entitled to pay reduced PPO rates to the provider.

This is an extremely important decision and the FOS would like to thank the firm of Watson & Lentner for their representation of the Society on this issue.

The ruling will impact your practice a couple of ways. First and foremost, this ruling makes future Silent PPO reductions illegal in Florida.

Secondly, if claims paid by PIP carriers (Allstate, Nationwide, Progressive, etc.) during the past five years (statute of limitations) were reduced by this Silent PPO tactic, you are able to recover all of those reductions. This could be a significant amount of money depending on your volume of PIP patients.

Please note that a new PIP law will take effect August 1st. After August 1st, you will need to submit a Demand Letter for each patient that you are trying to seek proper reimbursement. If you can collect the 5-year history of reduced payments from each company before August 1st, you should be able to submit a complete list of all reduced payments/patients to the carrier on a single Demand Letter. This may save you a little time and expenses. There are a number of law firms that help physicians collect this information and file Demand Letters, etc.

If you have any questions, please contact the Society or the law firm that represented the FOS on this issue. The firm does offer recovery services for reduced PIP claims. Their contact information is:

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