

## Healthcare Law Alert: PIP Update – Legislation Seeks to Bar Healthcare Providers from Receiving PIP Reimbursement

1/15/2021

A bill first introduced in March 2020 is set for hearing **Thursday, January 21**, in Trenton. The bill, if passed, would potentially have **devastating** effects for healthcare providers providing services to personal injury protection (PIP) patients.

The legislation would require the Commissioner of the Department of Banking and Insurance (DOBI), in consultation with the Commissioner of the Division of Consumer Affairs (DCA) and the Commissioner of Health and Senior Services (HSS) to **investigate, temporarily suspend, and/or bar healthcare providers from demanding, requesting, or receiving PIP reimbursement in many circumstances.**

Specifically, DOBI would be given statutory authority to investigate healthcare providers who:

- May be guilty of professional misconduct, incompetence, or negligence;
- Exceeded limits of their professional competence or made a knowingly false statement or misrepresentation of material fact in a medical report;
- Solicited or employed another to solicit professional treatment, examination, or care of any injured person;
- Refused to appear before, answer questions from, or produce relevant information to DOBI, HSS, or DCA; or
- Engaged in a pattern of billing for services that were not rendered, were of no diagnostic value, or were medically unnecessary.

Additionally, healthcare providers barred from collecting reimbursement under this legislation would **not be able to treat a patient seeking medical treatment under PIP as a private pay patient.** The proposed act is lacking in notice and due process requirements, in our view.

Crucially, many of the grounds for investigation would enable DOBI to suspend practitioners based on subjective treatment and billing standards. Finally, the bill appears to bar all solicitation of injured patients for treatment.

### Call to Action

We will be reaching out to the medical community to organize an effort to prevent the legislation from being adopted, or alternatively, reform the bill as written in the interests of fairness and due process.

If you have any questions about this alert or any other Healthcare Law issue, please contact:

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