

# HOUSE BILL NO. 6251

December 05, 2024, Introduced by Reps. Pohutsky, Phil Green and Rogers and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3157c.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        **Sec. 3157c. (1) Subject to the exceptions and limitations in**  
2 **this chapter except as expressed in this section, and subject to**  
3 **chapter 31A, a health care provider listed in section 3157 that**  
4 **lawfully renders treatment to an injured person for an accidental**  
5 **bodily injury covered by personal protection insurance may charge**  
6 **an amount that was established to be payment in full on June 10,**

1 2019 for the specific type of treatment under either of the  
2 following:

3 (a) A contract between the health care provider and the  
4 insurer responsible for payment, or between the health care  
5 provider and a parent, subsidiary, or affiliate of that insurer  
6 that was in force on June 10, 2019.

7 (b) A contract between the health care provider and a  
8 preferred provider organization that was in force on June 10, 2019  
9 and had been in force for at least 1 year, if the insurer  
10 responsible for payment or a parent, subsidiary, or affiliate of  
11 that insurer participated in or was a member or customer of the  
12 preferred provider organization on June 10, 2019 that would have  
13 allowed the insurer, or a parent, subsidiary, or affiliate of that  
14 insurer, to pay the established rate as payment in full for the  
15 treatment or training, and the insurer, or a parent, subsidiary, or  
16 affiliate of the insurer, had issued at least 1 payment to the  
17 health care provider before June 10, 2019 with reference to a rate  
18 established by the preferred provider organization.

19 (2) An amount of charges applicable under subsection (1)  
20 satisfies the reasonable charge requirement of section 3107(1)(a)  
21 and is not subject to any limitations of section 3157.

22 (3) For any personal protection insurance benefits payable  
23 under section 3107(1)(a) that are subject to the charge limitations  
24 of subsection (1) or subject to any reimbursement limitations of  
25 section 3157, if the claim for benefits has become overdue under  
26 section 3142 and over 120 days have elapsed since the insurer  
27 responsible for benefits received written notice of the injury  
28 given as required under section 3145(4), the claimant is  
29 additionally entitled to payment of a penalty from the insurer

1 responsible for payment of the benefits equal to 2 times the  
2 overdue amount.

3 (4) The claimant entitled to the payment of any penalty under  
4 subsection (3) is the health care provider who rendered or provided  
5 the treatment, but the penalty may instead be recovered by the  
6 injured person in any of the following circumstances:

7 (a) The health care provider did not submit any claims for  
8 unpaid benefits on the provider's own behalf to the insurer  
9 responsible for the payment of the benefits.

10 (b) The health care provider has provided irrevocable written  
11 permission to the injured person or the injured person's attorney  
12 for the unpaid benefits and the penalty to be claimed as part of an  
13 action that was or is brought by the injured person.

14 (c) The health care provider has not brought a timely action  
15 for unpaid benefits under section 3145 and the time to bring such  
16 an action has elapsed.

17 (5) If there is doubt about the proper person to receive  
18 payment or disputes after the insurer has issued payment and if  
19 subsection (4) (b) or (c) applies, any interested person may apply  
20 to the circuit court for an appropriate order in the same manner as  
21 set forth in section 3112.

22 (6) In an action to recover the payment of unpaid benefits,  
23 the penalty described in subsection (3) must not be considered in  
24 determining the jurisdictional amount.

25 (7) If a penalty becomes payable under subsection (3), and  
26 benefits payable under section 3107(1) (a) are subsequently  
27 exhausted under an applicable limit under section 3107c(1) (a), (b),  
28 or (c), or 3172(7), the insurer may not raise an exhaustion of  
29 benefits defense as to any portion of the unpaid benefits or the

1 penalty under subsection (3).

2 (8) As used in this section:

3 (a) "Insurer" includes the Michigan automobile insurance  
4 placement facility or an insurer assigned by the Michigan  
5 automobile insurance placement facility under section 3173a(3).

6 (b) "Treatment" means that term as defined in section 3157.