

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2025-11-INS

In the matter of:

**Payment and Billing Guidance for
No-Fault Automobile Insurers and Health Care Providers**

**Issued and entered
this 25th day of April 2025
by Anita G. Fox
Director**

This bulletin updates Bulletin 2024-06-INS (issued January 17, 2024) to include court opinions released since that bulletin was issued. Bulletin 2024-06-INS is superseded.

On July 31, 2023, the Michigan Supreme Court affirmed in part, vacated in part, and reversed in part the Court of Appeals' opinion in *Andary v USAA Casualty Insurance Company*, 343 Mich App 1; 996 NW2d 784 (2022), and held, *inter alia*, that MCL 500.3157(7) and MCL 500.3157(10) do not apply to the cost of treatment provided to persons injured in motor vehicle accidents occurring before June 11, 2019. *Andary v USAA Cas Ins Co*, 512 Mich 207, 256-257; 1 NW3d 186 (2023). In *Andary*, the Michigan Supreme Court expressly limited its holding to MCL 500.3157(7) and (10). *Id.* at 256-257.

On April 11, 2025, the Michigan Court of Appeals issued a published decision in *Fremont Insurance Company v Lighthouse Outpatient Center*, ___ Mich App __; ___ NW3d ___ (2025) (Docket No. 370500), which applied *Andary's* reasoning to other subsections of the fee schedule and held that the entire fee schedule in the amended version of MCL 500.3157 does not apply to the cost of treatment provided to persons injured in motor vehicle accidents occurring before June 11, 2019, see slip op at 7. Because *Fremont* has precedential effect, see MCR 7.215(C)(2), no part of the fee schedule in MCL 500.3157 applies to the cost of treatment provided to persons injured in motor vehicle accidents before June 11, 2019.

The Michigan Supreme Court also recently held that the tolling provision in MCL 500.3145(3) "does not apply retroactively to causes of action that began to accrue before the June 11, 2019 amendment became effective." *Spine Specialists of Mich PC v MemberSelect Ins Co*, ___ Mich __; ___ NW3d ___ (2025) (Case No. 165445); slip op at 20. A cause of action to recover PIP benefits begins to accrue on the date when the allowable expense is incurred. See *id.* at 9, citing MCL 500.3110(4).

Claim Re-Processing and Timely Payment

Providers who believe that they are due additional reimbursement for claims subject to the *Fremont* decision should first contact the insurer to request reprocessing of those claims. If a dispute related to a reprocessed claim cannot be resolved directly with the insurer, the provider may contact the Department for assistance at DIFSComplaints@michigan.gov.

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, accommodation, 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). Accordingly, insurers are reminded to consider providers' requests for reprocessing of claims as expeditiously as possible. Insurers may require providers to submit reasonable proof of the fact and the amount of loss sustained, see MCL 500.3142(2), but may not impose an undue burden on the provider by unreasonably requiring the provider to resubmit any information previously submitted when the claim was originally processed.

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, the provider may need to re-submit the bill to the insurer with the appropriate code. Insurers are expected to engage constructively 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.

Insurers must provide reasonable assistance to ensure that the insurer's billing and coding requirements are clearly conveyed to providers and their billers.

Utilization Review Orders

Providers who filed an appeal with the Department's Utilization Review unit involving claims that are subject to the *Fremont* decision, and whose appeals were resolved in an order issued prior to April 11, 2025, should first attempt to resolve any reimbursement disputes with the insurer. If the provider and insurer cannot resolve their dispute, the provider may request that the Department consider modifying the Utilization Review order in their case by submitting their request in writing to DIFS-URAppeals@michigan.gov.

Applicability of MCL 500.3157(1)

Although the fee schedule provisions in MCL 500.3157 cannot be applied to claims that are subject to the *Andary* and *Fremont* decisions, such claims remain subject to the "reasonableness" standard set forth in the pre-amendment version of MCL 500.3157, which is similar to the present MCL 500.3157(1). Charges must be reasonable, and the services provided must be reasonably necessary. See MCL 500.3107; MCL 500.3157 (as added by 1972 PA 294).

Under the pre-amendment version of MCL 500.3157, which would apply to claimants injured in accidents before June 11, 2019, a provider may charge a "reasonable amount for the products, services and accommodations rendered" that "shall not exceed the amount the person or institution customarily charges for like products, services and accommodations in cases not involving insurance." Insurers "must determine in each instance whether a charge is reasonable in light of the service or product provided." *Advocacy Org for Patients & Providers v Auto Club Ins Ass'n*, 257 Mich App 365, 379; 670 NW2d 569 (2003). A Michigan court has expressly approved an insurer's determination of reasonableness when the insurer reimbursed 100% of a health care provider's charge where that charge did not exceed the highest charge for the same service charged by 80% of other providers rendering the same service. *Id.* at 381-382.

Billing and Coding Disputes

Providers and insurers are reminded to refer to Bulletin 2021-36-INS, issued October 5, 2021, which governs billing disputes related to no-fault claims. Bulletin 2021-36-INS remains in force in its entirety; however, insurers are reminded that its content regarding charge description masters should be viewed in light of the fact that the fee schedule provisions of MCL 500.3157 may only be applied to claims related to accidents occurring on or after June 11, 2019.

Insurers that fail to comply with this bulletin, or who are found to have a pattern of improperly denying claims or delaying claim payments, may be subject to appropriate administrative action.

The Department will provide updated guidance as necessary. Any questions regarding this Bulletin should be directed to:

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/s/

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