
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1014 Session of
2007

INTRODUCED BY GREENLEAF, ERICKSON, MUSTO, EARLL, O'PAKE,
RHOADES, WASHINGTON, BROWNE, C. WILLIAMS AND FERLO,
JUNE 30, 2007

REFERRED TO BANKING AND INSURANCE, JUNE 30, 2007

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, in financial responsibility, further providing for
3 customary charges for treatment.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 1797(a) of Title 75 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 1797. Customary charges for treatment.

9 (a) General rule.--A person or institution providing
10 treatment, accommodations, products or services to an injured
11 person for an injury covered by liability or uninsured and
12 underinsured benefits or first party medical benefits, including
13 extraordinary medical benefits, for a motor vehicle described in
14 Subchapter B (relating to motor vehicle liability insurance
15 first party benefits) shall not require, request or accept
16 payment for the treatment, accommodations, products or services
17 in excess of 110% of the prevailing charge at the 75th
18 percentile; 110% of the applicable fee schedule, the recommended

1 fee or the inflation index charge; or 110% of the diagnostic-
2 related groups (DRG) payment; whichever pertains to the
3 specialty service involved, determined to be applicable in this
4 Commonwealth under the Medicare program for comparable services
5 at the time the services were rendered, or the provider's usual
6 and customary charge, whichever is less. For psychiatric
7 therapeutic procedures, reimbursement shall be made at 110% of
8 the Medicare fee schedule and shall not be subject to the
9 outpatient mental health limitation otherwise known as the
10 outpatient psychiatric limitation. The General Assembly finds
11 that the reimbursement allowances applicable in the Commonwealth
12 under the Medicare program are an appropriate basis to calculate
13 payment for treatments, accommodations, products or services for
14 injuries covered by liability or uninsured and underinsured
15 benefits or first party medical benefits insurance. Future
16 changes or additions to Medicare allowances are applicable under
17 this section. If the commissioner determines that an allowance
18 under the Medicare program is not reasonable, he may adopt a
19 different allowance by regulation, which allowance shall be
20 applied against the percentage limitation in this subsection. If
21 a prevailing charge, fee schedule, recommended fee, inflation
22 index charge or DRG payment has not been calculated under the
23 Medicare program for a particular treatment, accommodation,
24 product or service, the amount of the payment may not exceed 80%
25 of the provider's usual and customary charge. If acute care is
26 provided in an acute care facility to a patient with an
27 immediately life-threatening or urgent injury by a Level I or
28 Level II trauma center accredited by the Pennsylvania Trauma
29 Systems Foundation under the act of July 3, 1985 (P.L.164,
30 No.45), known as the Emergency Medical Services Act, or to a

1 major burn injury patient by a burn facility which meets all the
2 service standards of the American Burn Association, the amount
3 of payment may not exceed the usual and customary charge.
4 Providers subject to this section may not bill the insured
5 directly but must bill the insurer for a determination of the
6 amount payable. The provider shall not bill or otherwise attempt
7 to collect from the insured the difference between the
8 provider's full charge and the amount paid by the insurer.

9 * * *

10 Section 2. This act shall take effect in 60 days.