

A bill for an act

relating to insurance; regulating auto insurance; modifying benefits; regulating certain claims practices; amending Minnesota Statutes 2006, sections 65B.44, subdivisions 2, 3, 4, 5; 65B.47, subdivision 7; 65B.54, subdivision 1, by adding a subdivision; 148.102, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 65B.44, subdivision 2, is amended to read:

Subd. 2. **Medical expense benefits.** (a) Medical expense benefits shall reimburse all reasonable expenses for necessary:

(1) medical, surgical, x-ray, optical, dental, chiropractic, and rehabilitative services, including prosthetic devices and items that provide relief from any injury;

(2) prescription drugs;

(3) ambulance and all other transportation expenses incurred in traveling to receive other covered medical expense benefits;

(4) sign interpreting and language translation services, other than such services provided by a family member of the patient, related to the receipt of medical, surgical, x-ray, optical, dental, chiropractic, hospital, extended care, nursing, and rehabilitative services; and

(5) hospital, extended care, and nursing services.

(b) Hospital room and board benefits may be limited, except for intensive care facilities, to the regular daily semiprivate room rates customarily charged by the institution in which the recipient of benefits is confined.

(c) Such benefits shall also include necessary remedial treatment and services recognized and permitted under the laws of this state for an injured person who relies

upon spiritual means through prayer alone for healing in accordance with that person's religious beliefs.

(d) Medical expense loss includes medical expenses accrued prior to the death of a person notwithstanding the fact that benefits are paid or payable to the decedent's survivors.

(e) Medical expense benefits for rehabilitative services shall be subject to the provisions of section 65B.45.

Sec. 2. Minnesota Statutes 2006, section 65B.44, subdivision 3, is amended to read:

Subd. 3. **Disability and income loss benefits.** Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of ~~\$250~~ \$500 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain the income of the injured person, which are normally performed by the injured person, and which cannot be performed because of the injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of ~~\$250~~ \$500 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which the injured person was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which the injured person is or may by training become reasonably qualified. If the injured person returns to employment and is unable by reason of the injury to work continuously, compensation for lost income shall be reduced by the income received while the injured person is actually able to work. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.

For the purposes of this section, an injured person who is "unable by reason of the injury to work continuously" includes, but is not limited to, a person who misses time from work, including reasonable travel time, and loses income, vacation, or sick leave

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3.1 benefits, to obtain medical treatment for an injury arising out of the maintenance or use
3.2 of a motor vehicle.

3.3 Sec. 3. Minnesota Statutes 2006, section 65B.44, subdivision 4, is amended to read:

3.4 Subd. 4. **Funeral and burial expenses.** Funeral and burial benefits shall be
3.5 reasonable expenses not in excess of ~~\$2,000~~ \$5,000, including expenses for cremation or
3.6 delivery under the Uniform Anatomical Gift Act (1987), sections 525.921 to 525.9224.

3.7 Sec. 4. Minnesota Statutes 2006, section 65B.44, subdivision 5, is amended to read:

3.8 Subd. 5. **Replacement service and loss.** Replacement service loss benefits shall
3.9 reimburse all expenses reasonably incurred by or on behalf of the nonfatally injured
3.10 person in obtaining usual and necessary substitute services in lieu of those that, had the
3.11 injured person not been injured, the injured person would have performed not for income
3.12 but for direct personal benefit or for the benefit of the injured person's household; if
3.13 the nonfatally injured person normally, as a full time responsibility, provides care and
3.14 maintenance of a home with or without children, the benefit to be provided under this
3.15 subdivision shall be the reasonable value of such care and maintenance or the reasonable
3.16 expenses incurred in obtaining usual and necessary substitute care and maintenance of
3.17 the home, whichever is greater. These benefits shall be subject to a maximum of ~~\$200~~
3.18 \$600 per week. All replacement services loss sustained on the date of injury and the first
3.19 seven days thereafter is excluded in calculating replacement services loss.

3.20 Sec. 5. Minnesota Statutes 2006, section 65B.47, subdivision 7, is amended to read:

3.21 Subd. 7. **Adding policies together.** Unless a policyholder makes a specific election
3.22 not to have two or more policies added together the limit of liability for basic economic
3.23 loss benefits for two or more motor vehicles ~~may not~~ must be added together to determine
3.24 the limit of insurance coverage available to an injured person for any one accident. An
3.25 insurer shall notify policyholders that they may elect not to have two or more policies
3.26 added together.

3.27 Sec. 6. Minnesota Statutes 2006, section 65B.54, subdivision 1, is amended to read:

3.28 Subdivision 1. **Payment of basic economic loss benefits.** Basic economic loss
3.29 benefits are payable monthly as loss accrues. Loss accrues not when injury occurs, but as
3.30 income loss, replacement services loss, survivor's economic loss, survivor's replacement
3.31 services loss, or medical or funeral expense is incurred. Benefits are overdue if not
3.32 paid within 30 days after the reparation obligor receives reasonable proof of the fact

and amount of loss realized, unless the reparation obligor elects to accumulate claims for periods not exceeding 31 days and pays them within 15 days after the period of accumulation. However, if the insurer notifies the insured that it is denying benefits, the insured need not continue to provide the insurer with proof of the bills, losses, or expenses. If reasonable proof is supplied as to only part of a claim, and the part totals \$100 or more, the part is overdue if not paid within the time provided by this section. Medical or funeral expense benefits may be paid by the reparation obligor directly to persons supplying products, services, or accommodations to the claimant.

Sec. 7. Minnesota Statutes 2006, section 65B.54, is amended by adding a subdivision to read:

Subd. 6. **Unethical practices.** (a) A licensed health care provider shall not initiate direct contact, in person, over the telephone, or by other electronic means, with any person who has suffered an injury arising out of the maintenance or use of an automobile, for the purpose of influencing that person to receive treatment or to purchase any good or item from the licensee or anyone associated with the licensee. This subdivision prohibits such direct contact whether initiated by the licensee individually or on behalf of the licensee by any employee, independent contractor, agent, or third party. This subdivision does not apply when an injured person voluntarily initiates contact with a licensee.

(b) This subdivision does not prohibit licensees from mailing advertising literature directly to such persons, so long as:

(1) the word "ADVERTISEMENT" appears clearly and conspicuously at the beginning of the written materials;

(2) the name of the individual licensee appears clearly and conspicuously within the written materials;

(3) the licensee is clearly identified as a licensed health care provider within the written materials; and

(4) the licensee does not initiate, individually or through any employee, independent contractor, agent, or third party, direct contact with the person after the written materials are sent.

(c) This subdivision does not apply to:

(1) advertising that does not involve direct contact with specific prospective patients, in public media such as telephone directories, professional directories, ads in newspapers and other periodicals, radio or television ads, Web sites, billboards, or similar media; or

5.1 (2) general marketing practices such as giving lectures; participating in special
5.2 events, trade shows, or meetings of organizations; or making presentations relative to
5.3 the benefits of chiropractic treatment; or

5.4 (3) contact with friends or relatives, or statements made in a social setting.

5.5 (d) A violation of this subdivision is grounds for the licensing authority to take
5.6 disciplinary action against the licensee, including revocation in appropriate cases.

5.7 Sec. 8. Minnesota Statutes 2006, section 148.102, is amended by adding a subdivision
5.8 to read:

5.9 Subd. 3a. **Reparation obligors.** A reparation obligor as defined in section 65B.43,
5.10 subdivision 9, may submit any relevant information to the board in any case in which
5.11 the reparation obligor has reason to believe that charges being billed by a licensee are
5.12 fraudulent, unreasonable, or inconsistent with treatment actually received by the injured
5.13 party involved.

5.14 A reparation obligor that makes a report under this section shall provide the board
5.15 with any additional information, related to the reported activities, requested by the board.