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Minnesota Court of Appeals Restricts Reach of Minn. Stat. §62Q.75 in No-Fault Claims

By: Elizabeth Roff

The Minnesota Court of Appeals in *Nichols v. State Farm Mutual Insurance Co.*, ___ N.W.2d ___ (Minn. Ct. App. 2019), ruled that a health care provider complied with Minn. Stat. § 62Q.75, subdiv. 3, by timely submitting bills to the patient’s health insurer rather than the no-fault insurer.

Minn. Stat. § 62Q.75, subdiv. 3, outlines the time a health care provider has to submit a bill payment. In general, “health care providers . . . must submit their charges to a health plan company . . . within six months from the date of service or the date the health care provider knew or was informed of the correct name and address of the responsible health plan company . . . , whichever is later.” If a “health care provider” fails to comply with the submission requirements of the statute, then the provider *cannot* collect the charge from the patient or any other payer.

In 2017, the Minnesota Supreme Court held that under Minn. Stat. § 62Q.75, subdiv. 3, an insured seeking no-fault benefits did not incur a compensable loss for bills not properly submitted to the no-fault insurer, within six months. *Western National Ins. Co. v. Nguyen*, 909 N.W.2d 341 (Minn. 2017). As such, the “health care provider” that failed to timely submit its bills could not collect its outstanding charges from the no-fault insurer or the patient. The health care provider in *Nguyen* also failed to submit bill to any insurer for payment.

What happens if the medical provider timely submitted bills from a motor vehicle accident to a health insurer but not the no-fault insurer? Auto insurers argued that this did not comply with the statute because the statute required the health care providers to submit the bill to the “responsible” payer and the no-fault insurer—not the health insurer—was the “responsible” payer. Under this argument, if the patient was treating for motor vehicle accident-related injuries, then the only way for the provider to comply with the statute was to submit the bills to the no-fault insurer.

In contrast, plaintiffs argued that a health care provider complies with the statute if it timely submits the bills to *any* potential payer. Under this argument, if the plaintiff was treating for motor vehicle accident-related injuries and had both health insurance and no-fault coverage, then the provider complies with the statute by timely submitting the bills to either insurer. This was the fact pattern addressed in *Nichols*.

In *Nichols*, the plaintiff received emergency treatment at North Memorial Hospital (“North Memorial”) following a motor vehicle accident. The plaintiff had no-fault insurance with State Farm and health insurance with UCare. North Memorial submitted the emergency room bill to State Farm for payment. The plaintiff continued to treat at North Memorial. North Memorial submitted the subsequent bills to UCare and not State Farm. Over six months after the date of services, the plaintiff filed a no-fault arbitration petition seeking payment of those subsequent North Memorial bills. State Farm denied asserting Minn.

Stat. § 62Q.75, subdiv. 3.

Following a hearing, the arbitrator awarded all the bills. State Farm filed a motion to vacate the award in district court. The district court denied the motion and the court of appeals upheld the denial. The court of appeals rejected State Farm's argument that the only way to comply with the statute was to submit bills to the primary payer. Instead, the court held that the sole obligation of the health care provider was to submit charges to a health plan company—not just the primary or responsible insurer.

State Farm has until May 15, 2019, to file a petition for review to the Minnesota Supreme Court. Until this time, the take-away is that Minn. Stat. § 62Q.75, subdiv. 3., provides a basis to deny bills only if the health care provider fails to timely submit the bills to any potential insurer.

Please contact Elizabeth Roff at Brown & Carlson should you have questions regarding this decision, or any other no-fault matter.

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