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News

TEXAS SUPREME COURT REAFFIRMS POLICYHOLDER HAS NO STANDING TO SUE AUTO INSURER OVER RATES NEGOTIATED WITH MEDICAL PROVIDERS

Newsbrief
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Last Friday, the Supreme Court of Texas addressed the question of whether the holder of an auto insurance policy with Personal Injury Protection (PIP) benefits may complain because his medical providers were paid based on rates negotiated with his health insurance rather than their list rates. In *Farmers Texas County Mut. Ins. Co. v. Beasley*, No. 18-0469, --- S.W.3d --- (Tex. Mar. 27 2020) (slip op.), Beasley was injured in a car accident and received medical treatment with a list rate total of about $2,600. His health insurer paid the providers approximately $1,000 based on negotiated discounts, and the medical providers did not seek to recover the difference from Beasley.

Beasley made a PIP claim with Farmers, and when Farmers issued him a check for the $1,000 his medical providers had accepted in full satisfaction of their bills, Beasley demanded that his PIP check be based on the list rates, not the negotiated discount his health insurer had obtained. The trial court granted Farmers' plea to the jurisdiction and dismissed the case, setting the stage for a battle through the appellate courts and to the supreme court.

The supreme court agreed with the trial court that Farmer's plea to the jurisdiction was properly granted because Beasley had not alleged any out-of-pocket unreimbursed medical expenses, nor had he alleged that medical treatment had been withheld. Thus, he had not alleged any actual or threatened injury and had no standing to sue.