

Letter of Protection (LOP): Risks & Best Practices

Addie's Framing Principle:

A Letter of Protection can be very helpful, but it's important to understand how it works and how to use it wisely. Knowing the risks and best practices helps protect both medical care and financial outcomes.

Common Risks Associated With Letters of Protection

1. Bills Are Still Owed

- An LOP defers payment — it does not eliminate it
- Medical providers expect to be paid from the settlement
- If a case resolves for less than expected, LOP balances can significantly reduce net recovery

2. Higher Medical Charges

- Some LOP providers bill at higher rates than insurance-based care
- Insurance companies may scrutinize or challenge these charges
- This can affect settlement negotiations

3. No Guarantee of Recovery

- If there is no settlement or verdict:
 - Responsibility for the bills depends on the LOP agreement
 - Some providers may still pursue payment
- This risk should be clearly understood before treatment begins

4. Insurance Company Pushback

- Insurers may argue:
 - Treatment was excessive

- Providers were “attorney-referred”
- Bills are inflated
- This does not invalidate care, but it can complicate negotiations

5. Over-Treatment Concerns

- Extended or unnecessary treatment can raise red flags
- Treatment should always be medically appropriate and documented

Best Practices for Using a Letter of Protection

1. Use LOPs Strategically, Not Automatically

- LOPs are most helpful when:
 - Health insurance is unavailable
 - Care is being delayed
 - Urgent diagnostics or treatment are needed
- They are not always the best option for every provider or service

2. Follow Medical Advice — Not Legal Pressure

- Treatment decisions should be based on medical need
- Avoid continuing care solely because it is under an LOP
- Honest, consistent treatment strengthens both health outcomes and claims

3. Understand the Financial Impact Early

Addie should encourage users to ask:

- What providers are treating under an LOP?
- What services are covered?

- How will these bills be handled at settlement?
- Will the attorney help negotiate balances if needed?

4. Coordinate Care Through the Attorney

- Attorneys often help:
 - Select reputable providers
 - Avoid unnecessary duplication of services
 - Manage referrals efficiently
- This coordination can prevent excessive or conflicting treatment

5. Keep Communication Open

- Report changes in symptoms
- Inform the attorney of new providers
- Share billing concerns early

Transparency prevents surprises later.

6. LOPs Are Often Temporary Solutions

- As claims progress, options may shift to:
 - Health insurance
 - PIP coverage
 - Settlement-funded care
- LOPs are often most useful in the early and middle stages of a case

Addie's Balanced, Trust-Building Message

Addie should normalize caution without discouraging care:

Core Addie Language Template:

“A Letter of Protection can help you get medical care without paying out of pocket right now, but it’s important to use it thoughtfully. Understanding how LOPs work — including the risks — can help protect both your recovery and your financial outcome.”

Internal Guidance for Addie (Not User-Facing)

- Never present LOPs as “free care”
- Avoid guarantees about bill reduction or settlement amounts
- Flag high LOP balances as a risk factor
- Encourage informed decision-making over urgency