



AUTO NO-FAULT LIFETIME/UNLIMITED PIP COVERAGE VS MEDICARE & MEDICAID:

UNDERSTAND YOUR CHOICES UNDER THE NEW AUTO INSURANCE LAW – THE FACTS!

In 2019, dramatic changes were made to the Michigan auto insurance law. Drivers now are faced with a number of choices in Personal Injury Protection coverage (PIP), that if selected, could have devastating consequences should they, or their loved ones, suffer serious injury in an auto crash.

Seniors now have the option to completely opt-out from no-fault allowable expense PIP benefits if they satisfy the following two conditions:

- 1) the person is covered under Parts A and B of Medicare; **and**
- 2) the person's spouse **and** any resident relative has Medicare "qualified health coverage," or has no-fault PIP coverage under a separate policy.

Seniors who select this option are not entitled to coverage through the Assigned Claims Plan (ACP) when injured as an occupant of a motor vehicle, but are likely entitled to ACP coverage when injured as a non-occupant or pedestrian, and there is no other insurer from which to recover PIP benefits. ACP medical benefits are capped at \$250,000.

Before you consider this option, it is vital to understand what benefits are not available under Medicare, but may be needed should you be severely injured in an accident. Below is a table identifying the differences between Medicare and no-fault lifetime/unlimited coverages.

AUTO NO-FAULT LIFETIME/UNLIMITED PIP COVERAGE VS MEDICARE

| COVERAGE | AUTO NO-FAULT | TRADITIONAL MEDICARE |
|---|-------------------------------------|--|
| Post-Acute Care/Skilled Nursing Facility | Yes - 100% as long as needed | Limited - Up to 100 days; Full coverage first 20 days, then co-pay of \$176.00/day |
| Long-term Care/Custodial Care | Yes - 24/7 if needed | Not covered |
| Residential Treatment Programs | Yes | Not covered |
| Case Management Service | Yes | Not covered |
| Attendant Care (assistance with care, supervision, and cueing) | Yes - 24/7 as long as needed | Limited - (Home Health Aide services 2 -3 times weekly for 4 hours if receiving another Medicare skilled service) |
| Guardianship or Conservators | Yes | Not covered |
| Transportation Services (to and from medical appointments) | Yes | Not covered |
| Replacement Services (homemaker services, personal care, meal assistance etc.) | Yes - Up to 3 years \$20/day | Not covered |
| Physical, Speech and other Outpatient Therapies (Patients with severe brain and spinal cord injuries may need therapies for months or even years) | Yes | Limited - Medicare will cover 80%, \$2080/year combined* - additional review required |
| Occupational Therapy | Yes | Limited - Will cover 80%, \$2080/year combined* - additional review required |
| Durable Medical Equipment (walkers, wheelchairs etc.) | Yes | Limited - Will cover 80% |
| Massage Therapy | Yes | Not covered |
| Home Modifications to ensure accessibility | Yes | Limited |
| Vehicle Modifications (accommodate wheel chairs, hand controls, etc.) | Yes | Not covered |
| Specialty Assistive Devices (computers, assistive electronics, communication devices, fitness equipment) | Yes | Limited |
| Wage Loss - if senior is still working | Yes - up to 3 years | Not covered |
| Deductibles & Coinsurance Payment | No | Yes |

*2020 limits according to Medicare.gov

OTHER CONSIDERATIONS:

- Care options may be limited since not all specialists participate with Medicare
- Seniors are more likely to have previous medical conditions such as Parkinson's Disease, stroke, osteoporosis, diabetes, arthritis and heart disease that may complicate and lengthen the recovery process from an auto accident
- If the senior received a settlement from an accident claim, Medicare is entitled to recover the cost of any medical expenses paid to the claimant.



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One of the Personal Injury Protection (PIP) options available under Michigan’s new auto insurance law is a \$50,000 coverage option. This option is only available if:

- 1) the named insured is enrolled in Medicaid, **and**
- 2) any spouse **and** resident-relatives of the named insured are also covered under Medicaid, or covered under a qualified health insurance plan, or have PIP coverage under a separate auto insurance policy.

Before you consider this option, it is vital to understand what benefits are not available under Medicaid, but may be needed should you or your loved ones suffer severe injuries in a motor vehicle crash. Below is a table identifying the differences between Medicaid and the Lifetime/ Unlimited PIP coverage.

AUTO NO-FAULT LIFETIME/UNLIMITED PIP COVERAGE VS MEDICAID

| COVERAGE | AUTO NO-FAULT | MEDICAID |
|---|-------------------------------------|--|
| Post-Acute Care/Skilled Nursing Facility | Yes - 100% as long as needed | Must meet Level of Care (LOC) determination requirement to be in skilled nursing facility |
| Long-term Care/Custodial Care | Yes - 24/7 if needed | Yes - if the person: a) meets the financial requirements to get Medicaid***, and meets the level of care determination (LOCD) requirement |
| Residential Treatment Programs | Yes | |
| Case Management Service | Yes | Limited - under specific waiver programs and limited number of participating facilities |
| Attendant Care (assistance with care, supervision, and cueing) | Yes - 24/7 as long as needed | Limited - must meet program criteria medically and financially |
| Guardianship or Conservators | Yes | \$80/month |
| Transportation Services (to and from medical appointments) | Yes | Limited - must meet program criteria |
| Replacement Services (homemaker services, personal care, meal assistance etc.) | Yes - Up to 3 years \$20/day | Limited - must meet program criteria |
| Occupational, Physical, Speech and other Outpatient Therapies (Patients with severe brain and spinal cord injuries may need therapies for months or even years) | Yes | Limited - difficult to locate facilities who accept Medicaid |
| Durable Medical Equipment (walkers, wheelchairs etc.) | Yes | Limited - lengthy approval process |
| Massage Therapy | Yes | Not covered |
| Home Modifications to ensure accessibility | Yes | Limited |
| Vehicle Modifications (accommodate wheel chairs, hand controls, etc.) | Yes | Limited |
| Alternative Pain Management (such as acupuncture) | Yes | Not covered |
| Specialty Assistive Devices (computers, assistive electronics, communication devices, fitness equipment) | Yes | Not covered |
| Wage Loss | Yes - up to 3 years | Not covered |

OTHER CONSIDERATIONS:

- ***Must qualify for Medicaid, which requires spending down assets.
- Care options may be limited since not all specialists participate with Medicaid
- Coverage is dependent on medical conditions, meeting criteria, and other involved payers. This qualification process can be complicated and lengthy.



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