



Health Coverage and the New Michigan Auto Insurance Reform Law



Under the new Michigan Auto Insurance Reform Law, the health care plan you have could affect your coverage options.

Starting July 2020, you'll be able to choose the amount of coverage on your auto policy to help pay for medical expenses if an insured is injured in an auto accident. This is called your "limit" for Personal Injury Protection Allowable Expenses* (PIP AE). In Michigan, your PIP AE options will depend on the type of health care coverage you already have. You may be able to choose a new, lower PIP AE limit, and that may lower your auto insurance costs.



Review your health coverage.

The type of health coverage you have may determine the PIP options available to you, and may even allow you to waive PIP coverage.

Health Coverage

What does my healthcare have to do with my auto insurance?

Traditionally, a person's healthcare insurance coverage is there to help pay medical expenses such as doctor visits or hospital stays. In Michigan, for the past few decades, auto insurance policies were required to have unlimited Personal Injury Protection (PIP) coverage. That meant if a driver was hurt as a result of an auto accident, the cost of care, rehabilitation and recovery was covered under PIP Allowable Expenses – and the coverage was essentially unlimited. With the new auto insurance reform law going into effect in July,



unlimited personal injury protection coverage is no longer required. While this new option will help reduce the cost of auto insurance for many who choose lower levels of PIP Allowable Expenses coverage, it also means that drivers may need to rely more on their personal healthcare insurance coverage if they're hurt in an accident.

What is Qualified Health Coverage and how does it fit in with auto reform?

Qualified Health Coverage includes individual or employer-sponsored plans that fully cover auto-related injuries and have a deductible of \$6,000 or less per person. You or members of your household who have Qualified Health Coverage may select an exclusion for PIP Allowable Expenses coverage. Check with your health insurance provider to see if your plan is eligible.

I have Medicare or Medicaid. What PIP options am I eligible for under the new law?

Medicare Parts A & B coverage also allows you to opt out of PIP Allowable Expenses but has additional eligibility criteria that applies to all other members of your household, while Medicaid coverage allows you to choose a special, low-cost, \$50k coverage option. See the "What are my Personal Injury Protection coverage options" FAQ for more details.

What risks are associated with new, lower coverage options?

There are some risks to consider with the new, lower Personal Injury Protection Allowable Expenses coverage options. The benefits offered for auto accident injuries under most healthcare insurance plans are not the same as PIP benefits. Some of the major risks include:

- Not having enough coverage, and in particular, in the event of a catastrophic auto injury.
- Unlike auto insurance, health insurance may stop paying when the policy ends or is cancelled.

One way to address these risks is to discuss your coverage with your healthcare insurance provider. You can also discuss the options available for you to select with your agent.

What questions do I need to ask my health insurance provider?

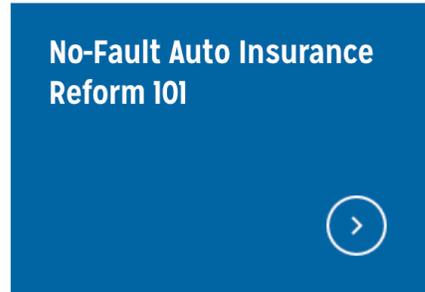
Before choosing new PIP Allowable Expenses (PIP AE) coverage limits, it's important to ask your healthcare insurer the following questions:

- Do I have Qualified Health Coverage? Does my health plan restrict or limit auto injury coverage? What is my individual deductible? If I want to exclude PIP AE coverage under \$250,000 option, my health insurance provider may need to provide proof of eligibility.
- How much coverage does my health insurance provide for injuries sustained in auto-related accidents?
- If I am catastrophically injured in a car accident, does my health plan cover attendant care? Most health plans may not cover attendant care coverage.

What will my auto insurance cover vs. my health insurance?

That depends. PIP Allowable Expenses (PIP AE) coverage is typically broader and more comprehensive than most health insurance plans for injuries sustained in an auto accident. PIP AE provides for medical expenses, attendant care, replacement services, and other benefits. Of course, there are many healthcare plans with many different coverage options. So, it's important to speak to your auto insurance and health insurance providers for specific details on what's covered, and what's not, before choosing a new level of PIP AE coverage.

Explore Other Michigan Auto Reform Topics



Ready to Take the Next Step?

 An illustration of a laptop with a red checkmark inside a white speech bubble above it.

**Use our Reform Options Planner
to find the coverage that's right
for you**

Start Now [▶](#)

**Please note that certain PIP AE options have eligibility requirements that apply to the named insured and all resident relatives and may vary depending on the option. Please see the No-Fault Act for complete details. This summary is being provided for general information purposes only. Coverage is subject to eligibility, terms, conditions, exclusions and limitations.*