

# The new auto insurance law

## And how it affects you



### MEDICARE ADVANTAGE MEMBERS

The new auto insurance law makes significant changes to Michigan's no-fault auto insurance system. And, depending on any changes you make to your auto insurance policy, it could also affect the way it works with your health plan. We share this information with you to help you make the most informed decision regarding the new law.

**Here are some important things to know.**

#### **When does the new law go into effect?**

The new law is effective for auto policies renewing on and after July 1, 2020.

#### **How does it impact my health plan coverage?**

Personal injury protection, known as PIP coverage, is the part of your auto insurance policy that covers medical expenses if you are injured in an automobile accident.

Starting July 1, you can choose to purchase lower than unlimited PIP coverage: \$250,000 or \$500,000 per person, per accident. You can even opt out of PIP entirely **as long as** you have qualified health coverage (QHC).

You have QHC if you are enrolled in Medicare Parts A and B (both included in your Priority Health plan) and your spouse or other relatives in your household have qualified health coverage (QHC) or auto insurance that includes PIP. You can verify your auto-related health plan coverage by reviewing your Evidence of Coverage (Chapter 1) in your Priority Health member account.

### Who covers my accident-related injuries if I opt out of PIP?

If you've confirmed you have QHC and choose to opt out of PIP on your auto insurance policy, you're covered solely by your Priority Health Medicare plan. That means your out-of-pocket costs will vary based on your plan benefits and you'll receive no additional coverage toward accident-related injury costs from your auto insurance.

Remember: Following a car accident, there are many services and costs that health plans, including Priority Health Medicare, do not cover. These include, but are not limited to, modifications to homes such as wheelchair ramps and in-home care attendants. These services are typically covered by PIP.

### What happens if I don't opt out of PIP?

If you don't opt out of PIP or purchase \$250,000 or \$500,000 of PIP coverage, you'll keep the same coordinated coverage for accident-related injuries. That means that you'll be covered by both your auto policy and your health plan. Both companies will work together to coordinate coverage and payments toward accident-related injuries, which can really help financially, especially if the injuries sustained require extensive therapy.

- If you are in an auto accident and have any level of PIP on your auto insurance plan, your auto policy is the primary payor for your medical expenses.
- If you exhaust your PIP medical benefit limit, and have no other available coverage, Priority Health Medicare will pay secondary for any Medicare-covered services.
- You will remain responsible for any deductible, coinsurance or copayment amounts according to your plan as well as any services Medicare does not cover.
- Being covered by more than one insurance plan does not mean you will have \$0 out-of-pocket expenses on a medical claim. Your out-of-pocket costs will vary based on the benefits provided by each plan.

### How can I request my QHC proof of coverage letter?

A Priority Health Medicare representative can assist you with documentation. Please call the number on the back of your member ID card to get started.

### Where can I learn more about the new auto insurance law?

We understand the new law can be a lot to take in. If you'd like to learn more before you make a decision to change your auto insurance policy, you may call the Michigan Department of Insurance and Financial Services (DIFS) dedicated hotline at 833.ASK.DIFS, email [autoinsurance@michigan.gov](mailto:autoinsurance@michigan.gov) or go to either of the following websites for more information:

- [priorityhealth.com/landing/auto-insurance-reform](https://priorityhealth.com/landing/auto-insurance-reform)
- [michigan.gov/autoinsurance](https://michigan.gov/autoinsurance)

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