

FREQUENTLY ASKED QUESTIONS ABOUT NEW MICHIGAN NO-FAULT REFORM LAW

Is my health care plan a “qualified health plan”?

Your FCA plan is a qualified plan and pays auto-related medical claims on a secondary basis after your Personal Injury Protection (PIP) coverage.

What is PIP coverage?

PIP coverage pays for all reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person’s care, recovery or rehabilitation, as long as those products, services or accommodations are prescribed by your doctor. For example, PIP pays the costs associated with a hospital stay, surgery and physical, speech and/or occupational therapy after a motor vehicle accident. In addition, PIP also pays for items not considered traditional medical care and not covered under FCA’s medical plans, such as the cost of an attendant, therapy past the point when further progress isn’t likely, and auto and home modifications, such as a wheelchair ramp.

What are the PIP coverage options under the reform law?

Michigan drivers will have 4 primary choices:

- continue unlimited PIP;
- select \$500,000 in PIP coverage; or
- select \$250,000 in PIP coverage.
- select \$250,000 in PIP coverage with some or all persons excluded from PIP medical.

In addition, certain Michigan drivers on Medicaid or Medicare can elect a lower PIP coverage option (\$50,000) or opt-out of PIP coverage entirely, if certain requirements are satisfied.

What should you do to get ready for this new law?

Step 1: Determine when the new law applies to you. You should find out when your no-fault policy renews in order to know the effective date of this change for you. Contact your auto insurance provider if you are unsure of your present renewal date.

Step 2: Determine which PIP coverage option is right for you. **Some points to consider:**

First: the benefits of electing a higher level of PIP coverage than you are required to carry. Why? Even if you have coverage under the FCA medical plan, remember that the coverage will only pay your medical bills from an auto accident (and you will be responsible for out-of-pocket costs such as copays and deductibles). PIP covers many other costs that may be incurred as a result of a motor vehicle accident, particularly for a person who requires long-term care as a result of motor vehicle injuries which would not be covered under an FCA health care plan.

Second: the fact that PIP provides lifetime coverage (subject to the \$500,000 or \$250,000 coverage limit, if applicable), whereas your FCA medical plan coverage may end after you are no longer eligible. In addition, employer plans (such as FCA’s medical plan) are subject to changes in cost and/or benefits.

You should discuss PIP coverage and other auto coverage with your auto carrier or agent.