

AUTO NO-FAULT PIP COVERAGE VS. MEDICARE

As of July 2020, under the new law, seniors will have the option to completely opt-out from no-fault 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 Michigan Assigned Claims Plan (MACP) when injured as an occupant of a motor vehicle, but are likely entitled to MACP coverage (with medical benefits capped at \$250,000) when injured as a non-occupant of a motor vehicle and there is no other insurer in the line of priority from which to recover PIP.

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 coverages.

COVERAGE	AUTO NO-FAULT	MEDICARE
Post-Acute Care/Subacute Rehabilitation	Yes – 100% as long as needed	Limited – 100 days at 80%
Long Term Care/Custodial Care	Yes – 24/7 as long as needed	Not Covered
Residential Treatment Programs	Yes	Not Covered
Case Management	Yes	Not Covered
Attendant Care (assistance with care and supervision)	Yes – 24/7 as long as needed	Limited – Home Health Aide services 2-3 times weekly for 4 hours during active recovery only.
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 – Will cover 80% and capped at \$2080/year combined*
Occupational Therapy	Yes	Limited – Will cover 80% and capped at \$2080/year combined*
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 wheelchairs, hand controls, etc.)		
Alternative Pain Management (such as acupuncture)	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

*2020 limits according to Medicare.gov

OTHER CONSIDERATIONS:

- Care options may be limited since not all specialists participate in Medicare.
- Seniors are more likely to have previous medical conditions 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 client.