STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Bulletin 2020-05-INS

In the matter of:

Medicare and No-Fault Automobile Insurance
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Issued and entered
this 10th day of February 2020
by Anita G. Fox
Director

After July 1, 2020, Michigan Medicare enrollees who renew or purchase a new no-fault automobile insurance policy can choose to "opt out" of Personal Protection Insurance (PIP) medical benefits. To do so, the enrollee must demonstrate that they are enrolled in Medicare Parts A and B and that their spouse or any relative of either who resides in the same household has qualified health coverage (QHC) or automobile insurance coverage that includes PIP medical benefits.

Medicare will pay for Medicare-covered services to enrollees who opt out of PIP medical benefits, are injured in an automobile accident, and have no other available coverage.[1] The enrollee will remain financially responsible for coinsurances, copayments, deductibles, and for any services Medicare does not cover, such as transportation to and from medical appointments, vehicle modifications, case management services, residential treatment programs, long-term and custodial care, and replacement services. Please see Medicare's booklet titled "Your Guide to Who Pays First" for more information.

The new law also allows Medicare enrollees to purchase lower than unlimited levels of PIP medical coverage: $500,000 or $250,000 per person per accident. If a Medicare enrollee is injured in an accident and exhausts his or her PIP medical limits, and has no other available coverage, Medicare will pay for Medicare-covered services, but the enrollee will remain responsible for coinsurances, copayments, and deductibles, and for any services Medicare doesn't cover.

Medicare enrollees are strongly encouraged to consider their insurance needs and budget, and may want to consult with an auto insurance agent, an insurance company, or a financial advisor before opting out or choosing a level of PIP medical benefits.

Any questions regarding this Bulletin should be directed to:

Department of Insurance and Financial Services
Office of Consumer Services

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[1] There are instances where a Medicare enrollee who opts out of PIP benefits will have other available coverage, including but not limited to coverage such as workers' compensation coverage or other employer-provided coverage, group health plan coverage through a spouse, TRICARE, or coverage from other sources. In these cases, Medicare will pay secondary to those coverages. See "Your Guide to Who Pays First," pp. 6-8.

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