

Does Health Insurance Pay My Medical Bills If I Am In An Automobile Accident?

If you are injured in an automobile accident in Kentucky and go to the doctor the answer is both yes and no. Your primary insurance coverage for payment of your medical bills for treatment of injuries sustained in an automobile accident is your PIP insurance. This is also called Personal Injury Protection or No-Fault Benefits. This will pay for your first \$10,000.00 of medical bills and/or lost wages. If you have read my book “What You Don’t Know About Buying Car Insurance Can Hurt You” you will have purchased Added Reparation Benefits and have plenty of coverage. If you haven’t go to www.mikeschaferlaw.com to get information on how you can get your free copy.

Once your PIP is exhausted your secondary insurance, which is your health insurance, becomes your primary coverage. Your health insurance pays the additional medical bills as they occur. You, however, are still responsible for any co-payments or deductibles as they occur.

Additionally, most health insurance plans have a clause that requires re-payment of these medical bills or the health insurance plan is covered by the Employment Retirement Income Security Act (ERISA). ERISA governs a majority of the medical benefits plans. Basically, ERISA is a federal law which requires re-payment of most medical liens in automobile accidents. As a rule of thumb, if the plan is an employee-employer plan and the employer is not the government or a church organization, then the

plan is an ERISA plan. If the plan is not an ERISA plan then state law controls and there is a chance that reimbursement is not required. This would depend on the state law and how the individual health plan is written. If you collect money from the insurance company of the person that hit you or even from your own insurance company you must reimburse your health insurance company for all bills they pay that are related to the automobile accident (You may also be required to reimburse your disability insurance carrier for wage loss payments).

Reimbursement of healthcare benefits in an auto accident case is very technical. There are attorneys who concentrate in this area of law. The bottom line is that you should contact an attorney who is familiar with healthcare reimbursement to answer your questions in this area.

Some health insurance companies will reduce this amount to help you out, but in many cases you have to reimburse exactly what they pay. This is another reason why it is important to have the proper insurance coverage.

Suppose you were in an automobile accident and incurred \$35,000.00 in medical bills. The PIP coverage would take care of \$10,000.00. This would leave \$25,000.00 in medical bills that would be paid by your health insurance carrier. With this example we will assume that the health insurance carrier pays the entire amount of these bills. In the real world we know this will not happen. There will be a substantial reduction on what your health insurance carrier pays your doctors. Now the person who caused the accident

and your injuries only has \$25,000.00 insurance, which is Kentucky's minimum per person. Under these circumstances that money may all go to the health insurance carrier.

This underscores the importance of having good Underinsured Motorist Coverage, so that this won't happen to you. If you do find yourself in a similar situation you should contact an attorney to help negotiate a reduction in what has to be repaid to your health insurance carrier.

Medicare and Passport health benefits work the same way as a private health insurance plan. It is secondary insurance and must be repaid upon the settlement of an automobile case. This is mandatory. Once again, this may be reduced after negotiation.