



# SENIOR DRIVERS:

## AUTO NO-FAULT VS MEDICARE COVERAGE – THE FACTS!

In February 2018, bills were introduced that would offer consumers options when purchasing Personal Protection Insurance (PIP) as part of their auto insurance coverage and still other bills introduced that would repeal no-fault altogether. In late 2017, legislation was proposed in the Michigan House that would have allowed Michigan seniors to opt out of personal protection insurance (PIP) when purchasing an auto policy. Legislation is still pending; however, it is important seniors be informed about the differences in coverage if they were to choose to rely on Medicare alone if injured in an auto accident.

Unfortunately, most drivers don't believe it will happen to them. However, every 6 minutes and 37 seconds a person is injured in a crash on Michigan roads. Michigan Seniors injured in auto accident without PIP coverage or adequate PIP coverage, relying only on Medicare, may not have access to the necessary services or the intensity and duration of services that they require to maximize the progress and outcome of their recovery.

## AUTO NO-FAULT PIP COVERAGE VS MEDICARE

COVERAGE	AUTO NO-FAULT	MEDICARE
<b>Post-Acute Care/Subacute Rehabilitation</b>	<b>Yes</b> - 100% as long as needed	<b>Limited</b> - 100 days at 80%
<b>Long-term Care/Custodial Care</b>	<b>Yes</b> - 24/7 if needed	<b>Not covered</b>
<b>Residential Treatment Programs</b>	<b>Yes</b>	<b>Not covered</b>
<b>Case Management Service</b>	<b>Yes</b>	<b>Not covered</b>
<b>Attendant Care</b> (assistance with care, supervision, and cueing)	<b>Yes</b> - 24/7 as long as needed	<b>Limited</b> (Home Health Aide services 2 - 3 times weekly for 4 hours during acute recovery only)
<b>Guardianship or Conservators</b>	<b>Yes</b>	<b>Not covered</b>
<b>Transportation Services</b> (to and from medical appointments)	<b>Yes</b>	<b>Not covered</b>
<b>Replacement Services</b> (homemaker services, personal care, meal assistance etc.)	<b>Yes</b> - Up to 3 years \$20/day	<b>Not covered</b>
<b>Physical, Speech and other Outpatient Therapies</b> (Patients with severe brain and spinal cord injuries may need therapies for months or even years)	<b>Yes</b>	<b>Limited</b> Will cover 80% and capped at \$2010/year combined*
<b>Occupational Therapy</b>	<b>Yes</b>	<b>Limited</b> - Will cover 80% and capped at \$2010/year*
<b>Durable Medical Equipment</b> (walkers, wheelchairs etc.)	<b>Yes</b>	<b>Limited</b> - Will cover 80%
<b>Massage Therapy</b>	<b>Yes</b>	<b>Not covered</b>
<b>Home Modifications to ensure accessibility</b>	<b>Yes</b>	<b>Limited</b>
<b>Vehicle Modifications</b> (accommodate wheel chairs, hand controls, etc.)	<b>Yes</b>	<b>Not covered</b>
<b>Alternative Pain Management</b> (such as acupuncture)	<b>Yes</b>	<b>Not covered</b>
<b>Specialty Assistive Devices</b> (computers, assistive electronics, communication devices, fitness equipment)	<b>Yes</b>	<b>Limited</b>
<b>Wage Loss</b> - if senior is still working	<b>Yes</b> - up to 3 years	<b>Not covered</b>

### Other considerations:

- Care options may be limited since not all specialists participate with Medicare
- Seniors are more likely to have previous medical conditions such as Parkinson's Disease, stroke, osteoporosis, diabetes, arthritis and heart disease that may complicate and lengthen the recovery process from an auto accident

\*2018 limits according to Medicare.gov

Three sisters, ages 44-47, all with good driving records, short commutes, and no teenage drivers.

Each carry \$1,000 deductible collision & comprehensive, as well as uninsured and underinsured coverage.

### Grand Rapids, Michigan

2017 Subaru Forester



PIP (Lifetime If Needed)	\$333
Under/Uninsured Liability	\$30 \$66

Coll/Comp/Other \$366

Annual Policy **\$795**

### Lexington, Kentucky

2016 Honda CR-V



PIP (\$10,000 Care Limit)	\$120
Under/Uninsured Liability	\$86 \$402

Coll/Comp/Other \$467

Annual Policy **\$1,075**

### Atlanta, Georgia

2015 Subaru Forester



PIP (\$1,000 Care Limit)	\$38
Under/Uninsured Liability	\$162 \$800

Coll/Comp/Other \$672

Annual Policy **\$1,672**

Michigan PIP automatically covers your entire household for lifetime care and three years of wage loss if needed, while greatly reducing the need for liability coverage and drawn out lawsuits.

**Which policy would you rather have?**

Visit [fairandaffordable.com](http://fairandaffordable.com) to learn more about a Bipartisan Solution to Fair and Affordable Auto Insurance

# THE BASIC DIFFERENCES BETWEEN CURRENT AUTO NO-FAULT, CAPPED NO-FAULT PROPOSAL and PURE TORT SYSTEM PROPOSAL

## CURRENT AUTO NO-FAULT:

Immediate coverage for all reasonable necessary charges for the injured person's care, recovery and rehabilitation for auto accident injuries.

**Fault doesn't matter**

Auto No-Fault benefits will provide for all reasonably necessary products, services and accommodations for injured persons for **as long as necessary** including rehabilitation therapies, vocational support, residential care and supervision.

No need for the government to pay for auto related care and rehab.  
**No cost to taxpayers!**

## CAPPED NO-FAULT PROPOSAL:

Limitations on the care and rehabilitation of the injured person paid by insurer and cost shifts to health insurance and cost shifts to government programs.

**Fault matters** if you reach your no-fault policy limit and need money to cover care and additional rehab.

Auto No-Fault will cover reasonably necessary items **until policy limits run out.**

Beyond no-fault, you are responsible to fund your additional care and rehab.

Any additional care or rehab the injured person cannot fund must be paid by the government.

## PURE TORT SYSTEM PROPOSAL:

Must sue at fault driver for care, recovery and rehabilitation needed for the injured person.

**Fault matters**

Health care pays covered services until exhausted, or you can't afford the monthly premium.

Any additional care or rehab the injured person cannot fund must be paid by the government.

**If you are at fault**, or the at fault driver doesn't have adequate coverage, **you are out of luck.** You are responsible for covering all expenses, using your personal saving and assets.

**If you are NOT at fault**, and the at fault driver has insurance, you have to use any judgement/settlement proceeds (after attorney fees) to pay your medical bills. Beyond what is covered by the at fault driver, you are financially responsible to fund your auto related care and rehab.

# APM&R

BRAIN · PAIN · SPORTS · SPINE

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February 25, 2019

Senate Insurance & Banking Committee  
Michigan State Senate  
Lansing, MI

Dear Senator Lana Theis and Members of the Senate Insurance & Banking Committee:

At this time, it is clear that there is intent and a desire to negotiate in good faith on Auto No-Fault Insurance Reform. However, it must start with all parties being honest, open and transparent.

It is my understanding that at the Senate Hearing regarding Auto No-Fault Insurance Reform held on Wednesday, February 20, 2019, that testimony by the Insurance Alliance of Michigan claimed that “Insurance companies are somehow forced to pay the rate provided them by hospitals/providers with no option but to fight it in court.”

I am writing to you to voice my strong objection to this false claim and to share with you my experience regarding this after having been in practice for over 37 years as a Physiatrist caring for catastrophically injured individuals.

Based on my own experience and that shared with me by other providers of care for those who have experienced catastrophic injuries related to motor vehicle accidents in Michigan, many insurance companies consistently utilize the following strategies:

- Downcoding of CPT 4 codes. (CPT stands for Current Procedural Terminology. CPT was and is developed by the American Medical Association (AMA) and is used by all the major players in the health care system-medical providers, insurance companies, state and federal health care programs, and billing and coding professionals.)
- Reimbursing at what they feel are “Reasonable and customary rates.”
- Determining reimbursement by zip code although the CPT 4 code is not changed.
- Hiring review companies to evaluate bills and apply any or all of the above strategies.

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There are also allegations that these review companies are “paid by how much they save the auto insurance carrier.” In addition, providers are not allowed to balance bill, e.g., bill the balance from their charge to what they have already been reimbursed by the auto insurance carrier.

Auto insurance carriers have also been protected by the 2017 Supreme Court decision known as Downcoding is prevalent. Each procedure that is billed carries a Billing Code. Simply by decreasing the code, for example, from 99215 to 99214, the carrier will save money. Many patients that I see, due to being catastrophic in nature, are quite complex. There is considerable contact, review and discussion between appointments. Much needs to be discussed during appointments, and it is not unusual for patients to come with family, their guardian, their case manager, and representatives of the residential or outpatient programs that are treating them. Based on time and/or complexity, the visit would qualify to be coded as 99215. Some companies will simply state that they will not pay for 99215 more than one time per year, as an example.

It is common for Auto Insurance Carriers in Michigan to hire Medical Bill Review companies. Examples of such companies include:

Review Works – <http://www.reviewworks.com>;

ManageAbility – <https://manageability.com/about-us/>;

Mitchell International – <https://www.mitchell.com/products-services>;

Genex – <https://www.genexservices.com/solutions>;

Ingenix now known as Optum360 Coding.Com.

Review Works has a “formula for enhanced bottom line savings and the long-term defensibility of your bill review program.” They advertise that their latest technologies and service delivery options helps you achieve “MAXIMUM SAVINGS AT MAXIMUM SPEEDS, WITH UNPARALLELED ACCURACY!”

ManageAbility stresses their knowledge and experience with state laws regarding auto. They note that their Provider Bill Review Services “maximize cost savings” and notes that appropriate payments are identified...by a Reasonable and Customary data base (built on a defensible national data base based on GEO-zip codes). They provide savings analysis reports. They use Startech software known as TotalEclipse.™ Lunar Eclipse is the Medical Bill Review software component in the package. It is noted that the “Review Processing Form automatically re-prices lines in real-times as fields are populated as it references U&C (usual and customary) rates...”

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Mitchell advertises it can make a significant impact on your bottom line. It notes that “without clear guidelines, adjusters often pay 100% of liability, significantly overpaying on claims settlements.”

Genex also advertises their technology to provide savings on bills. They also note that “When it comes time for litigation settlement negotiations, they will provide a comprehensive view of the necessity of treatments and associated costs throughout the claim and provide an informed position for negotiations. They also note that they specialize on reducing medical expenses through their “Implant Cost Containment” program.

It has been consistently reported that these reimbursement – reducing strategies are employed through all levels of the provider network including hospitals, physicians, case management, residential programs, outpatient therapies, and transportation services, etc. Thus, any claim by the Insurance Alliance of Michigan that insurance companies are somehow “forced” to pay the rate provided them by hospitals/providers is disingenuous and intentionally misleading your committee, the State Senate and House, the media, and the citizens of Michigan.

There are clearly areas where there is intent and desire to negotiate fairly and civilly on Auto No-Fault Insurance reform. However, it must start with all parties being honest, open, and transparent.

Thank you very much. Your efforts are appreciated, and I am more than willing to answer questions or provide additional information.

Respectfully yours,

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