



HUMAN RESOURCES AND LABOR RELATIONS DEPARTMENT

1 S. Main, 6th Floor
Mount Clemens, Michigan 48043
Phone: (586) 469-5280 Fax: (586) 469-6974
Macombgov.org/HRLR

Andrew S. McKinnon
Director
(586) 469-5114

Karlyn R. Semlow
Deputy Director
(586) 469-6160

Brian Jacks
Service Director
(586) 469-7248

Stephanie Dobson
Retirement Administrator
(586) 469-6223

Denise Krzeminski
Operations Administrator
(586) 469-7713

Rachel Chordash
Benefits Administrator
(586) 469-5573

To: County Staff

From: Andrew S. McKinnon, Director
Human Resources and Labor Relations

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Re: Michigan No-Fault Auto Insurance Reform

You may have heard some news about the changes coming to Michigan's Auto Insurance laws. (<https://www.freep.com/story/money/business/2020/06/13/no-fault-car-insurance-reform-michigan/5319844002/>). Working in consultation with our insurance providers, Macomb County has made decisions to put its employees in the best position possible from an employer provided medical insurance perspective.

According to the information provided by our health insurance partners, and decisions made on behalf of the County, our plans meet the requirements to be considered qualified health coverage under the new Michigan no-fault law. This is because our plans (1) do not exclude or limit coverage for injuries related to motor vehicle accidents; and (2) have an annual deductible of \$6,000 or less per individual. Keep in mind that Michigan No-Fault Personal Injury Protection (PIP) coverage pays for more than medical expenses – including things like attendant care, housing modifications, lost wages, etc. You should discuss PIP coverage and other auto coverage with your auto carrier or agent. As always, please follow the terms and conditions of your health plan policy. For your reference, all benefit summaries are available on the HRLR website:
<https://hrlr.macombgov.org/HRLR-CountyProvidedBenefits>.

There is an FAQ from both HAP and BCBSM below. Should you have any questions, please reach out to the HRLR Benefits Team at 586-469-5650 or you can email us at human.resources@macombgov.org.

Please remember we can only provide information regarding our benefits. While we like to be as helpful as possible, we cannot answer questions about auto insurance, which is outside our area of expertise. If you have any questions about what auto insurance reform means for you, or what you need to do with your auto insurance, please contact your auto insurance agent.

I hope this information is helpful. It looks like this will be a beautiful Sunday. I hope you're all able to get out and enjoy some piece of it in a safe way.

Public Acts 21 and 22 of 2019

Public Acts 21 and 22 of 2019 reform Michigan's automobile no-fault insurance law. The changes will be effective July 1, 2020.

What's changing?

The state of Michigan currently requires individuals to purchase unlimited personal injury protection, or PIP, through their auto insurer. Starting July 1, 2020, under certain circumstances outlined in the new law, individuals may select different levels of PIP coverage as follows:

- Opt out (\$0)
- \$50,000
- \$250,000
- \$500,000
- Unlimited

How does this affect Blue Cross Blue Shield of Michigan or Blue Care Network fully insured individual and group coverage?

Blue Cross and BCN already pay primary on auto accident-related medical claims for our fully insured individual and group coverage.

Members may still want to purchase PIP coverage because it also pays for items that health insurance doesn't, such as attendant care, lost wages and vehicle or housing modifications.

What about self-funded groups?

- Self-funded groups will continue to have the same options they do today when it comes to covering auto accidents — pay primary, pay secondary or exclude. We anticipate no impact for groups that pay primary or exclude auto-accident related claims when this law goes into effect.
- Groups that pay secondary after auto insurance would be responsible for auto accident-related claims once the member's PIP level is met. These groups may see an increase in auto accident-related claims, depending on the level of PIP coverage their members choose, or if a member opts out of PIP coverage.

Members in self-funded groups may still want to purchase PIP coverage because it also pays for items that health insurance doesn't, such as attendant care, lost wages and vehicle or housing modifications.

Frequently asked questions for customers



How are BCBSM and BCN Medicare Advantage plan coverages impacted?

BCBSM and BCN Medicare Advantage plans will cover services as a result of an automobile accident under the same payment rules as original Medicare. Original Medicare pays secondary to automobile insurance.

If a Medicare Advantage enrollee opts out of PIP coverage, medical expenses as a result of an automobile accident will be covered. Other PIP benefits such as transportation to and from medical appointments, vehicle modifications, long-term and custodial care, and household services will not be covered.

Members should direct specific questions about PIP coverage to their auto insurer.

Qualified Health Coverage Documents

DIFS Bulletin 2020-01-INS advises health plans should develop a document that indicates whether a person's coverage is "qualified health coverage" or QHC for purposes of the new no-fault law.

The document must:

- List the full names and dates of birth of all individuals covered under the policy or plan
- State that the coverage:
 - ✓ Does not exclude or limit coverage for injuries related to motor vehicle accident; AND
 - ✓ Has an annual deductible of \$6,000 or less per covered individual
 - ✓ Or is Medicare Parts A & B

Self-funded groups should consult with their own legal counsel to gain a full understanding of the law and its applicability.

How will Blue Cross handle its fully insured groups?

As the insurer, Blue Cross and BCN will issue QHC letters to enrolled members for fully insured groups upon request.

How will Blue Cross assist self-funded group customers who are the health plan sponsors?

Blue Cross will provide health plan sponsors with QHC letter templates that can be utilized to provide QHC documents for your employees.

There are letter templates for the following scenarios:

- ~~Employee's health plan meets the requirements~~ for qualified health coverage
- ~~Employee's health plan does not meet the requirements~~ for qualified health coverage
- Employee has Medicare Parts A and B

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Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.

Frequently asked questions for customers



Self-funded groups should consult with their own legal counsel to gain a full understanding of the law, its applicability and guidance as to whether the groups health plans are considered Qualified Health Coverage.

How can health plan sponsors ensure their plan is qualified health coverage?

Self-funded groups should consult with their own legal counsel to gain a full understanding of the law and its applicability and guidance as to whether the groups health plans are considered Qualified Health Coverage.

Where can a self-funded group find more information about the new law?

The Department of Insurance and Financial Services or DIFS provides resources for information about the new law:

- DIFS website: www.michigan.gov/autoinsurance
- DIFS dedicated hotline 833-ASK-DIFS (275-3437) and email, autoinsurance@michigan.gov, where people can ask questions

Blue Cross and BCN will continue to communicate to our business and our customers as more information becomes available about the new auto insurance law. Our assessment is evolving and subject to change based on additional state or federal guidance. The summary contained in this communication is provided for informational purposes only and should not be construed as legal advice. Each group should consult its legal counsel and the underlying laws and regulations in order to gain a full understanding of the law and its applicability.

Michigan's New Auto Insurance Regulations FAQ

• *What's Michigan's new auto insurance reform law?*

In May 2019, the State of Michigan passed legislation requiring all auto insurance policies to provide unlimited, lifetime Personal Injury Protection (PIP) benefits. Beginning July 2020, Michigan drivers will be able to select their preferred level of PIP Insurance – that pays for medical coverage if the driver is injured in an auto accident. After July 1, 2020, drivers will be able to choose from different levels of PIP coverage.

HAP's Responsibility

◆ *How can HAP help?* A member may be asked by their auto insurer for proof of "Qualified Health Coverage". Upon request, HAP will provide a document listing the current names of individuals covered under their HAP/Alliance coverage and their annual deductible amount per covered individual.

◆ *What's "Qualified Health Coverage" under Michigan's new no-fault law?* "Qualified Health Coverage" is health or accident insurance that doesn't exclude or limit coverage for injuries related to auto accidents and has a deductible of \$6,000 or less per person.

Medicare: HAP will provide a document indicating if a member has coverage with HAP/Alliance and they're also enrolled in Medicare Parts A and B.

Medicaid: HAP will provide a document indicating if a member is enrolled in HAP's Medicaid plan.

- **Who does a member contact at HAP for questions concerning Qualified Health Coverage documentation?** Members should call HAP Customer Service at the number on their ID card.

What should enrollees do with the documentation from HAP? The member should provide the HAP document to their auto insurance agent to help determine the benefits and risks of the auto coverage options available.

- **Any questions about how PIP coverage works or what the PIP insurance covers that the health insurance doesn't cover:**

These questions should be referred to the member's auto insurance agent.

- **Does the State of Michigan offer resources?**

The State of Michigan ~~has a website~~ for Michigan's New Auto Insurance Law. The website has the latest information for insurance companies to provide implementation guidance:

https://www.michigan.gov/difs/0,5269,7-303-13047_13049_34631_95382--,00.html

Auto No-Fault Reform Quick Facts:

<https://www.michigan.gov/difs/0,5269,7-303-502964--,00.html>

The new law requires auto insurance agents and auto insurance companies give individuals a form that describes the benefits and risks of the coverage options.