HEALTH INSURANCE AND THE ER VISIT AFTER A CAR ACCIDENT

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You have just been injured in a car accident and your injuries have forced you to go to the ER. When you get to the ER, the intake staff asks if your injuries are from a car accident and you say "yes." The staff asks for the name of the at-fault car insurance and you provide this information. You have health insurance, but since the staff is not asking for this, you decide not to mention anything about it. Further, you have heard from friends/family that your health insurance does not cover car accidents. You are also thinking that the at-fault car insurance should be paying for your treatment at the hospital, so why should you have to use your health insurance and pay a deductible/co-pay? So you do not mention anything about your health insurance to the staff. You undergo an exam which leads to a CT scan. Luckily, the CT scan and the exam do not reveal anything that would cause you to be admitted to the hospital and so you leave after being in the ER for a few hours.

In about a month you get the ER bill and because you had a CT scan, the ER bill alone is $30,000. Turns out the person who caused the accident only has the minimal insurance of $25,000. The at-fault insurance is willing to pay you the $25,000, but because it is on notice of the ER bill, the company names the ER on the check. You do the math and see that you are going to owe the ER another $5,000 after the ER takes the $25,000. Even though you have health insurance, you wonder how did you end up in the negative for this car accident? The answer is a combination of Urban Myth, misconceptions, and the hospital wanting to get paid 100% of its bill.

The Urban Myth is that health insurance will not pay for a car accident. This is completely untrue. Health insurance will pay for treatment for a car accident, if you (1) provide the health insurance to the ER and (2) complete the paperwork for your health insurance. It is always best to provide your health insurance card to the intake staff when you get to the ER, so that your information is in the system. Even if the staff asks about at-fault insurance, you can still provide them with your health insurance card and ask them to bill your insurance. This may result in the ER charging you a co-pay, but better to pay a co-pay of $350-$500 than to owe an entire bill of $30,000. Please note that the $30,000 for the ER visit is because of the CT scan. If the Trauma Unit at the ER is activated for you, the ER bill could be $50,000-$90,000.

If the ER has billed the health insurance, your insurance is going to send you a form asking about the car accident and requesting that the insurance be reimbursed from any settlement. If you complete and return these forms to the health insurance, then the health insurance will process and pay the ER bill.

Regardless of the fact that you want the at-fault driver to pay these bills, if you have health insurance, it is best for you to have your health insurance process and pay the ER bills. All of the hospitals have contracts with health insurance companies, Medicare, and Medicaid. The main benefit of these contracts to you as an accident victim is the contractual adjustment or write-off once the health insurance starts processing the bill. So in the example where your bill

is $30,000, if the contractual adjustment is applied, the bill might drop to a total of only $3,000. At $3,000, your health insurance might pay $1,500 to the hospital and you would owe $1,500 as your co-pay/deductible. In using your health insurance, the $30,000 bill turns into $1,500 that you will owe to your health insurance from any settlement and $1,500 that you would owe.

As for the at-fault driver and his insurance, you are allowed to put the entire $30,000 bill onto them both. If there is insurance of only $25,000, the company will pay you the $25,000 and for the ER bill, you will just owe your health insurance the $1,500 it paid to the ER and your $1,500 balance. You are now going to see compensation in your pocket even though on paper you had a $30,000 hospital bill and the at-fault driver only had $25,000 in auto insurance.

Using your health insurance greatly benefitted you in this situation. By ignoring the Urban Myth and overcoming the understandable desire of not wanting to use your health insurance because you wanted the other driver's insurance to pay the bill, you turned a negative into a recovery. You might wonder given this outcome, why the ER was asking for the auto insurance if the ER does take your health insurance for auto accidents? The answer is that the ER wants payment of 100% of the bill and the only way it can get that is to bill you and the car accident, not your health insurance.

Given the financial gain to the ER in billing you and the auto insurance instead of your health insurance, there are steps you can take to have the ER bill the health insurance. First, present your health insurance card to the hospital even if the staff asks about auto insurance. Next, when your health insurance contacts you about the ER bill, please respond to them so the bill is processed and paid. Finally, if you have hired a lawyer, please make sure the lawyer knows how to have the ER bill the health insurance. In representing our clients for car accidents, we help get their bills processed by health insurance. In fact, we have successfully filed lawsuits against hospitals in order to force them to bill our client's health insurance for the ER bill.