

USING YOUR HEALTH INSURANCE FOR AN INJURY CLAIM

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You or a loved one have been in an automobile accident and need medical treatment. Should you use health insurance to pay for that medical treatment? The answer may seem to be obviously yes. However, it is not always the best option for medical treatment following an accident. There are also ramifications on your ability to get medical treatment and what money you will owe back once a settlement is reached.

Let's say you were in a terrible accident and have been rushed to the hospital by ambulance. When you have a hospital involved in your medical treatment for an accident, it is best to use your health insurance. This is because the hospital bills can be quite high. If the person who caused the accident has a minimum insurance policy providing a maximum recovery of \$25,000 for persons injured in an accident, the hospital bill can easily exceed that number. If the bill is not paid by health insurance, all of the \$25,000 could go to pay the hospital, and you could be stuck paying any additional bill(s) above that amount. Your health insurance has a contracted rate for services with the hospital which is much lower than the actual hospital bill. By contract, the hospital has to write off the remainder of your bill if they are paid by health insurance. If your health insurance pays for your hospital treatment, then they will want to be reimbursed from any settlement you get. However, the amount you will be reimbursing your health insurance from your settlement will be less than what you would owe the hospital if you did not use your health insurance. Because of this difference in the amount the hospital receives, it seems they often prefer to try and collect by placing a lien on any recovery rather than processing it through your health insurance. This is a trap for the unwary. And, it is one of the reasons hiring an attorney can be helpful in an auto accident case.

Another situation where you want to get your treatment through health insurance is when there is an issue that is going to cause the insurance for the other driver to deny your claim. One example is when the other driver is blaming you for the accident so their insurance company is refusing to pay. It can be beneficial for a person in this situation to go through their health insurance for treatment. Your health insurance only has a right of subrogation, meaning they only get paid back when you get a settlement. If you do not get a settlement, you do not have to pay back your health insurance.

When should you avoid using health insurance for treatment related to an accident? And, how would one even get medical treatment without health insurance? For much of your treatment after an accident, we will give you the option of seeing a medical care provider who will see you on an attorney lien. That means you are agreeing to pay the medical care provider out of a settlement. The primary reason clients want to go this route is the treatment can be arranged much faster and more conveniently because frequently health insurance delays treatment due to the need for pre-approval, and recommended treatment may be denied. Clients sometimes want medical care and treatment from a provider who is outside of their health insurance company's approved providers. Maybe the out-of-network provider offers medical treatment that the health insurance will not agree to pay or considers experimental. Another reason clients choose to go this route is many doctors do not want to get involved in auto accident cases. Frequently, a client

will first try to see their regular primary care physician after an auto accident, and the physician will say they do not see car accident patients. Finally, in most situations where an accident victim treats with medical providers on an attorney lien, the medical care provider will agree to accept a lesser amount than their bill at the time of settlement. However, a medical care provider does have the right to look to you for payment of these bills in the event there is not a settlement.

It is an unfortunate day to be involved in a car accident. And, it is much worse when you are injured as a result of that accident. There are many obstacles involved in getting a good resolution to your case and making sure you are protected against unwanted debts. The issue of when to use health insurance and what happens if you do is just an example of the myriad of issues an accident victim faces. It is best to consult an attorney as soon as possible after a car accident. At Craig P. Kenny & Associates, this consultation is always free of charge. So, if you are in an accident, please give us a call as soon as possible.