

# Massachusetts Coordination of Benefit Examples Associated with the Handling of Motor Vehicle Accident-Related Medical Claims

## Please note:

The following examples apply to insured plans that are subject to 211 CMR 38.00. (*i.e.*, self-funded employer-sponsored health plans are not subject to 211 CMR 38.00). Carriers should refer to definition of "Plan" in 211 CMR 38.02 which specifies that Plan does not include the following:

1. Hospital Indemnity Benefits coverage or other fixed indemnity coverage;
2. Accident only coverage;
3. Specified disease or specified accident coverage;
4. Insured contracts that pay a fixed daily benefit without regard to which expenses are incurred or services received;
5. Medicare Supplement policies;
6. School accident-type coverages that cover students for accidents only, including those contracts covering students for accidents or athletic injuries, either on a 24 hour basis or on a "to and from school" basis;
7. Benefits provided in long-term care insurance policies for non-medical services or for contracts that pay a fixed daily benefit without regard to expenses incurred or the receipt of services;
8. A state plan under Medicaid; or
9. A governmental plan when, by law, its benefits are in excess of those of any private insurance plan or other nongovernmental plan.

## Generally<sup>1</sup>, the order of benefit determination (payment) for automobile accident-related health claims should be:

1. Automobile-accident related medical expense claims for the cost of treating a driver or passenger in the driver's automobile or pedestrian struck by the driver's automobile, are to be forwarded to the driver's automobile insurance carrier.
  - The Personal Injury Protection (PIP) benefit within the driver's automobile coverage is considered Primary for the first \$2,000 of claims. (*211 CMR 38.05(1)(a)*)
  - The first \$2,000 are to be paid by the driver's automobile insurance carrier.
2. Automobile-accident related health care claims beyond the first \$2,000 paid under the PIP benefit are to be coordinated with the patient's health coverage. The health coverage becomes Primary for all claims beyond the first \$2,000 paid by the automobile carrier. Medical claims are sent to the patient's insured health plan which pays for services covered under its policy. (*211 CMR 38.05(1)(a)*)
  - The health coverage becomes Primary for all claims beyond the first \$2,000 paid by the automobile carrier. The health carrier pays health care expenses/claims for treatment

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<sup>1</sup> PIP benefits are not available for all motor vehicle accidents.

received in accordance with the terms of its health benefit plan (i.e., claims that are Allowable Expenses for the health benefit plan, as defined in 211 CMR 38.02 ).

- If the patient's health coverage is a Closed Panel Plan – as defined in 211 CMR 38.02 - claims for non-emergency health treatment may be limited to treatment delivered by network providers unless prior authorized by the health carrier.
- The PIP benefit within the driver's automobile coverage becomes Secondary for all claims beyond the first \$2,000 paid by PIP.
  - As noted in 211 CMR 38.02(d) under the definition of Allowable Expense, "any expense that a provider by law or in accordance with a contractual agreement is prohibited from charging a covered person is not an Allowable Expense." Where the Personal Injury Protection coverage and Medical Payments Coverage of a motor vehicle policy are secondary to a Health Benefit Plan, the coordination of benefits rules may not be used by a provider to increase the amount of payment to the provider by billing the motor vehicle policy the difference between the provider's negotiated payment with the health benefit plan and the provider's charge.
  - PIP benefits do not cover claims that have been denied by a health carrier because the driver/insured has failed to comply with the terms of the health benefit plan. The PIP coverage of the automobile policy is unavailable for claims the health carrier denied because treatment was not obtained in accordance with the terms of the health benefit plan. However, if MedPay benefits are available, such denied claims would be payable under the MedPay coverage.
  - The PIP benefit is limited to \$8,000. After the first \$2,000 in claims is paid by PIP, the remaining PIP benefits coordinate with health coverage.
  - The PIP benefit may be responsible to pay for:
    - ✓ applicable patient copayments, coinsurance or deductibles under the health coverage; OR
    - ✓ health care services that are not covered services under patient's health coverage.
- 3. If there is a Medical Payments (MedPay) benefit within the driver's automobile coverage, MedPay coverage is always Secondary to and in excess of the benefits of the health coverage and the PIP benefit up to the limits of the MedPay benefit. (211 CMR 38.05(1)(b))
  - The MedPay benefit may be responsible to pay for:
    - ✓ applicable patient copayments, coinsurance or deductibles under the health coverage;
    - ✓ health care services that are not covered services under patient's health coverage; OR
    - ✓ health care services from providers that are not part of the health coverage's network or were provided without prior authorization under the health coverage, if PIP benefits are unavailable.

**EXAMPLE 1: Health coverage without any cost-sharing**

Driver has PIP, MedPay and Healthy People HMO. Driver is hurt in an auto accident.

Total provider charges are \$12,000; the first \$2,000 in provider charges are submitted to Safe Car.

The remaining \$10,000 are submitted to Healthy People; Healthy People discounted/ negotiated rate for services sent to Healthy People HMO is \$9,000.

Under Healthy People HMO, Driver is not responsible for a deductible, copayments or coinsurance.

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
Coverage	Limit/Deductible	Coverage	
Personal Injury Protection	\$0 Deductible \$8,000 Limit	Annual Deductible per person/year	\$0
		Annual Deductible per family/year	\$0
		Out-of-pocket Maximum	\$500
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$0
		Chiropractic Copay (\$) or Coinsurance (%)	\$0
		Emerg Dept. Copay (\$) or Coinsurance (%)	\$0
		Hospital Copay (\$) or Coinsurance (%)	\$0
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$0

- Personal Injury Protection (PIP) under Safe Car Insurer pays the first \$2,000 in medical claims;
- Healthy People HMO pays \$9,000
- Medical Payments under Safe Car Insurer pays \$0.
- Driver pays \$0.

**EXAMPLE 2: Health coverage with cost-sharing.**

Driver has PIP, MedPay and Healthy People HMO. Driver is hurt in an auto accident. Total provider charges are \$12,000; the first \$2,000 in provider charges are submitted to Safe Car. The remaining \$10,000 are submitted to Healthy People; Healthy People discounted/ negotiated rate for services sent to Healthy People is \$9,000.

Under Healthy People HMO, the Driver has \$1,450 in out-of-pocket costs:

- \$500 deductible (prior to accident, no other claims have counted toward the deductible);
- \$250 copayment for hospital stay;
- \$100 copayment for imaging (x-ray/MRI); and
- Thirty (30) doctor/PT/chiropractic visits with a total of \$600 in copayments.

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
Coverage	Limit/Deductible	Coverage	
Personal Injury Protection	\$0 Deductible \$8,000 Limit	Annual Deductible per person/year	\$500
		Annual Deductible per family/year	\$1,000
		Out-of-pocket Maximum	\$2,000
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$20
		Chiropractic Copay (\$) or Coinsurance (%)	\$20
		Hospital Copay (\$) or Coinsurance (%)	\$250
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$100

- PIP under Safe Car Insurer pays the first \$2,000 in medical claims
- Healthy People HMO pays \$7,550 for covered claims beyond the first \$2,000 in medical claims:
  - \$ 500 (Healthy People HMO deductible)
  - \$ 950 (Driver's copayments under Healthy People HMO)

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  - = \$7,550 Healthy People HMO payment
- PIP under Safe Car Insurer pays \$1,450 for the Driver's out-of-pocket costs (deductible and copayments).
- Medical Payments under Safe Car Insurer pays \$0.
- Driver pays \$0.

**EXAMPLE 3A: Health coverage with cost-sharing**

**Driver has PIP, MedPay and Healthy People HMO. Driver is hurt in an auto accident. Total provider charges are \$12,000; first \$2,000 in charges are submitted to Safe Car. The remaining \$10,000 are submitted to Healthy People; Healthy People discounted/negotiated rate for all services sent to Healthy People is \$9,000.**

**Under Healthy People HMO, Driver would have \$5,300 in out-of-pocket costs:**

- **\$3,000 deductible (prior to accident, no other claims counted toward the deductible);**
- **\$500 copayment for hospital stay;**
- **Thirty (30) doctor/PT/chiropractic visits with a total of \$1,500 in copayments; and**
- **\$300 in copayments for imaging (x-ray/ MRI).**

<b>Auto Insurer: Safe Car Insurer</b>		<b>Health Insurer: Healthy People HMO</b>	
<b>Coverage</b>	<b>Limit/Deductible</b>	<b>Coverage</b>	
Personal Injury Protection	\$0 Deductible \$8,000 Limit	Annual Deductible per person/year	\$3,000
		Annual Deductible per family/year	\$5,000
		Out-of-pocket Maximum	\$8,000
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$50
		Chiropractic Copay (\$) or Coinsurance (%)	\$50
		Emerg Dept. Copay (\$) or Coinsurance (%)	\$100
		Hospital Copay (\$) or Coinsurance (%)	\$500
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$100

- PIP under Safe Car Insurer pays the first \$2,000 in medical claims
- Healthy People HMO pays \$3,700 for covered services beyond the first \$2,000 in medical claims:
  - \$9,000 (*Healthy People HMO discounted/negotiated rate of reimbursement*)
  - \$3,000 (*Healthy People HMO deductible*)
  - \$2,300 (*Driver's copayments under Healthy People HMO*)

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  - = \$3,700 Healthy People HMO payment
- PIP under Safe Car Insurer pays \$5,300 for Driver's deductible and copayments under Healthy People HMO.
- Medical Payments under Safe Car Insurer pays \$0.
- Driver pays \$0.

**EXAMPLE 3B: Health coverage with higher cost-sharing that hits plan maximum out-of-pocket**

Driver has PIP, MedPay and Healthy People HMO. Driver is hurt in an auto accident.

Total provider charges are \$12,000; first \$2,000 in charges are submitted to Safe Car. The remaining \$10,000 are submitted to Healthy People; Healthy People discounted/negotiated rate for all services sent to Healthy People is \$9,000.

Under Healthy People HMO, Driver has an \$8,000 out-of-pocket maximum but has incurred \$8,500 in out-of-pocket costs. The driver's \$8,500 in deductibles and copayments are limited to the \$8,000 Healthy People HMO out-of-pocket maximum:

- \$3,000 deductible (prior to accident, no other claims counted toward the deductible);
- \$1,500 copayment for hospital stay;
- Fifty (50) doctor/PT/chiropractic visits with a total of \$2,500 in copayments; and
- \$1,500 in copayments for imaging (x-ray/ MRI).

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
Coverage	Limit/Deductible	Coverage	
Personal Injury Protection	\$0 Deductible \$8,000 Limit	Annual Deductible per person/year	\$3,000
		Annual Deductible per family/year	\$5,000
		Out-of-pocket Maximum	\$8,000
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$50
		Chiropractic Copay (\$) or Coinsurance (%)	\$50
		Emerg Dept. Copay (\$) or Coinsurance (%)	\$100
		Hospital Copay (\$) or Coinsurance (%)	\$1,500
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$500

- PIP under Safe Car Insurer pays the first \$2,000 in medical claims
- Healthy People HMO pays \$1,000 for covered services beyond the first \$2,000 in medical claims:
  - \$9,000 (Healthy People HMO discounted/negotiated rate of reimbursement)
  - \$8,000 (Healthy People HMO maximum Out-of-pocket)

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 = \$1,000 Healthy People HMO payment

- PIP under Safe Car Insurer pays \$6,000 for the Driver's deductible and copayments under Healthy People HMO, which exhausts the \$8,000 PIP benefit.
- Medical Payments under Safe Car Insurer pays \$2,000 for the Driver's remaining deductible and copayments under Healthy People HMO that are limited to the Out-of-Pocket Maximum.
- Driver pays \$0.

\* The maximum out-of-pocket (MOOP)/ out-of-pocket maximum is the most the driver can pay during his coverage period for his share of the cost of covered services. Out-of-pocket costs include deductibles, copayments and co-insurance.

**EXAMPLE 4A: \$8,000 PIP deductible**

Driver is hurt in an auto accident. Driver has Healthy People HMO, MedPay and PIP.

Total provider charges are \$9,000. Healthy People discounted/negotiated rate for covered services is \$8,000.

Under Healthy People HMO, Driver has \$4,000 in out-of-pocket costs for covered services:

- \$2,000 deductible (prior to car accident, \$1,000 in claims counted toward \$3,000 deductible);
- Eighteen (18) doctor/PT visits with a total of \$900 in copayments;
- \$500 copayment for Hospital stay.
- \$600 in copayments for imaging (x-rays/MRI).

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
<b>Coverage</b>	<b>Limit/Deductible</b>	<b>Coverage</b>	
Personal Injury Protection	\$8,000 Deductible \$0 Coverage	Annual Deductible per person/year	\$3,000
		Annual Deductible per family/year	\$5,000
		Out-of-pocket Maximum	\$7,000
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$50
		Hospital Copay (\$) or Coinsurance (%)	\$500\$100
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$100
		(%)Emerg Dept. Copay (\$) or Coinsurance (%)	

- PIP under Safe Car Insurer pays \$0 because there is an \$8,000 PIP deductible.
- Healthy People HMO pays \$4,000 for covered services:
  - \$8,000 (Healthy People HMO discounted/negotiated rate of reimbursement)
  - \$2,000 (remaining Healthy People HMO deductible)
  - \$2,000 (Driver’s copayments under Healthy People HMO)

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 = \$4,000 Healthy People HMO payment
- MedPay under Safe Car Insurer pays \$0 for the Driver’s deductible and copayments under Healthy People HMO (MedPay coverage is unavailable for expenses that would have been payable under PIP but for the driver’s election of a PIP deductible)
- Driver pays remaining \$4,000 in expenses.

**EXAMPLE 4B: \$2,000 PIP deductible**

Driver is hurt in an auto accident. Driver has Healthy People HMO, MedPay and PIP.

Total provider charges are \$10,000 (Healthy People discounted/negotiated rate for covered services is \$8,000.)

Under Healthy People HMO, Driver has \$4,000 in out-of-pocket costs for covered services:

- \$2,000 deductible (prior to car accident, \$1,000 in claims counted toward \$3,000 deductible);
- Eighteen (18) doctor/PT visits with a total of \$900 in copayments;
- \$500 copayment for Hospital stay.
- \$600 copayments for imaging (x-rays/MRI).

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
Coverage	Limit/Deductible	Coverage	
Personal Injury Protection	\$2,000 Deductible \$6,000 Coverage after Deductible	Annual Deductible per person/year	\$3,000
		Annual Deductible per family/year	\$5,000
		Out-of-pocket Maximum	\$7,000
		Doctor Copay (\$) or Coinsurance (%)	\$50
Medical Payments	\$5,000 Limit	Hospital Copay (\$) or Coinsurance (%)	\$500\$100
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$100
		(%)Emerg Dept. Copay (\$) or Coinsurance (%)	

- PIP coverage is unavailable to pay the first \$2,000 in medical expenses because the driver elected a \$2,000 PIP deductible. All provider charges for covered services are submitted to Healthy People HMO for their review.
- Healthy People HMO pays \$4,000 for covered services:
  - \$8,000 (Healthy People HMO discounted/negotiated rate of reimbursement)
  - \$2,000 (remaining Healthy People HMO deductible)
  - \$2,000 (Driver’s copayments under Healthy People HMO)

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 = \$4,000 Healthy People HMO payment
- PIP under Safe Car Insurer pays \$4,000 for the Driver’s remaining out-of-pocket costs under Healthy People HMO.\*
- Driver pays \$0.\*\*

\* PIP is not required to pay for a claim (with the exact CPT code and date of service) that PIP initially denied because the Driver elected a \$2000 PIP deductible. Since the provider’s negotiated/allowed amount for a service under Healthy People HMO is likely less than the provider’s charge for the service, the PIP carrier may only deny payment of the claim (with the exact CPT code and date of service) that the PIP carrier initially denied due to the Driver’s election of the \$2,000 deductible.

\*\* If a claim (with the exact CPT code and date of service) initially denied by PIP because of the Driver’s election of a \$2000 PIP deductible is subject to the Healthy People HMO deductible, then the Driver may be responsible for payment of that particular claim.

**EXAMPLE 4C: \$2,000 PIP deductible; Chiropractic not covered under health insurance coverage**

Driver is hurt in an auto accident. Driver has Healthy People HMO, MedPay and PIP.  
Chiropractic care is not covered by Healthy People HMO. There are chiropractic charges.

Total provider charges are \$13,000 (\$9,000 for services covered by Healthy People and \$4,000 for chiropractic care not covered by Healthy People HMO). Healthy People discounted/negotiated rate for covered services is \$8,000.

Under Healthy People HMO, Driver has \$4,000 in out-of-pocket costs for covered services:

- \$2,000 deductible (prior to car accident, \$1,000 in claims counted toward \$3,000 deductible);
- Eighteen (18) doctor/PT visits with a total of \$900 in copayments;
- \$500 copayment for Hospital stay.
- \$0 for chiropractic care since not covered under Healthy People HMO plan; and
- \$600 copayments for imaging (x-rays/MRI).

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
Coverage	Limit/Deductible	Coverage	
Personal Injury Protection	\$2,000 Deductible \$0 Coverage	Annual Deductible per person/year	\$3,000
		Annual Deductible per family/year	\$5,000
		Out-of-pocket Maximum	\$7,000
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$50
		Chiropractic Copay (\$) or Coinsurance (%)	Not covered
		Emerg Dept. Copay (\$) or Coinsurance (%)	\$100
		Hospital Copay (\$) or Coinsurance (%)	\$500
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$100

- PIP coverage is unavailable to pay the first \$2,000 in medical expenses because the driver elected a \$2,000 PIP deductible. All provider charges for covered services are sent to Healthy People HMO for their review.
- Healthy People HMO pays \$4,000 for covered services:
  - \$8,000 (Healthy People HMO discounted/negotiated rate of reimbursement)
  - \$2,000 (remaining Healthy People HMO deductible)
  - \$2,000 (Driver’s copayments under Healthy People HMO)

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- = \$4,000 Healthy People HMO payment
- Healthy People HMO pays \$0 for chiropractic care because it is not a covered service.
- PIP under Safe Car Insurer pays \$6,000 towards the driver’s outstanding out-of-pocket expenses (chiropractic care charges as well as the remaining deductible and copayments under Healthy People HMO), which exhausts the driver’s \$6,000 PIP benefit.\*
- MedPay under Safe Care Insurer pays \$2,000 towards the driver’s remaining out-of-pocket expenses (copayments under Healthy People HMO and chiropractic care charges).
- Driver pays \$0.\*\*

\* PIP is not required to pay for a claim (with the exact CPT code and date of service) that PIP initially denied because the Driver elected a \$2000 PIP deductible. Since the provider’s negotiated/allowed amount for a service under Healthy People HMO is likely less than the provider’s charge for the service, the PIP carrier may only deny payment of the claim (with the exact CPT code and date of service) that the PIP carrier initially denied due to the Driver’s election of the \$2,000 deductible.

\*\* If a claim (with the exact CPT code and date of service) initially denied by PIP because of the Driver’s election of a \$2000 PIP deductible is subject to the Healthy People HMO deductible, then the Driver may be responsible for payment of that particular claim.



**EXAMPLE 5: Motorcycle Accident**

Driver has coverage for an automobile and a motorcycle under Safe Car Insurance. Driver's Safe Car coverage includes PIP (PIP is unavailable when driver operates motorcycle) and MedPay. Driver is covered under Healthy People HMO.

Driver is hurt while operating motorcycle. Total provider charges are \$10,000; Healthy People discounted/negotiated rate for all covered services is \$8,000.

Under Healthy People HMO, Driver has \$3,500 in out-of-pocket costs for covered services:

- \$2,000 deductible (prior to accident, \$1,000 in claims counted toward \$3,000 deductible);
- Ten (10) doctor/PT visits with a total of \$500 in copayments;
- \$500 copayment for Hospital Stay; and
- \$500 in copayments for imaging (x-rays/MRI).

Auto Insurer: Safe Car Insurer		Health Insurer: Healthy People HMO	
Coverage	Limit/Deductible	Coverage	
Personal Injury Protection	\$0 Deductible \$8,000 Limit	Annual Deductible per person/year	\$3,000
		Annual Deductible per family/year	\$5,000
		Out-of-pocket Maximum	\$8,000
Medical Payments	\$5,000 Limit	Doctor Copay (\$) or Coinsurance (%)	\$50
		Chiropractic Copay (\$) or Coinsurance (%)	\$50
		Emerg Dept. Copay (\$) or Coinsurance (%)	\$100
		Hospital Copay (\$) or Coinsurance (%)	\$500
		X-ray/MRI Copay (\$) or Coinsurance (%)	\$100

- PIP pays \$0 [PIP benefits are unavailable for anyone who, at the time of the accident, was operating or occupying a motorcycle];\*\*
- Healthy People HMO pays \$4,500 for covered services:
  - \$8,000 (Healthy People HMO discounted/negotiated rate of reimbursement)
  - \$2,000 (remaining Healthy People HMO deductible)
  - \$1,500 (Driver's copayments under Healthy People HMO)

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 = \$4,500 Healthy People HMO payment

- MedPay pays \$3,500 for the Driver's deductible and copayments under Healthy People HMO.

\*\* Please see M.G.L. c. 90, § 34A for other examples where PIP may be unavailable.