



# Are You Covered If You're Hurt?



WRITTEN BY  
ALEXA D'AMATO BARRERA,  
ESQUIRE

**N**ow that we are in the New Year, it is an excellent time to check the batteries in your carbon monoxide detectors and your auto insurance coverage. If you are injured in a car accident in New Jersey, who pays your medical bills? Have you heard that New Jersey is a "No Fault State"? That means whether the crash is your fault or someone else's, your auto insurance pays your medical bills. If you are in someone else's car, your auto insurance pays your medical bills. Do you have the proper insurance to cover your medical bills?

"Back then" when I was getting my driver's license, I remember my mom and dad were so nervous that we were going to lose our insurance coverage because they were going to have a teenager on their insurance policy. There were not many insurance companies in New Jersey "back then." God forbid you caused a crash or even worse, had a teenaged driver cause a crash, you were lucky to find an insurance company to insure you. Times have changed. There are so many insurance companies in New Jersey that we are flooded on a daily basis with commercials on television, in the car and even on billboards.

"Back then" you had to have \$250,000 of auto insurance coverage (called Personal Injury Protection or PIP) to pay your bills if you were involved in a car accident. That's not the case anymore. You have many different options to cover your medical bills. While the best option is still to choose the auto insurance primary selection with \$250,000 of medical expense coverage, you can choose to have \$15,000 in auto insurance coverage or have your health insurance as primary for paying your medical bills.

I have many clients who have chosen the "health insurance primary" option on their auto insurance without checking first with their insurance carrier or employer. It is certainly cheaper to choose your health insurance as primary, but is cheaper always better? Here is what you need to know:

**1) Medicare cannot be primary for paying your medical bills.** If you choose the health

insurance primary option on your auto insurance and then become a Medicare beneficiary, your auto insurance will revert to auto insurance primary, but you will be subject to penalties.

**2) Medicaid cannot be primary for paying your medical bills.**

When you have Medicaid, you are entitled to get the bare bones of auto insurance. This is a great option for those who truly cannot afford more insurance and are just simply trying to get to work and feed their family. Unfortunately if you are involved in a car accident, these bare bone insurance policies will only cover your hospital stay. Medicaid will then cover the rest of your medical treatment.

**3) Self-funded policies cannot be primary for paying your medical bills.** If you are a union member, or work for a company that has a truly self-funded plan, you cannot choose health primary. If you do and are involved in a crash, like Medicare, your auto insurance will revert to auto primary with penalties.

**4) The worst situation I have seen is where clients select auto primary with only \$15,000 in PIP coverage.** That \$15,000 is quickly exhausted and then their health insurance either denies payment because it's related to a car accident or the health plan is entitled to reimbursement upon settlement of the case. If you purchase the proper auto insurance PIP coverage, you are paying less than you would have to pay back if you are hurt because of someone else's negligence.

If you have chosen your health insurance as primary, call your employer's plan administrator and ask them if the plan language prevents you from choosing the health primary option on your health insurance. **If you are not sure which insurance coverage you should select, please call my office. I'd be happy to speak with you in more detail or even review your auto insurance policy with you free of charge.** Hospital and doctors' bills add up! You want to make sure you purchase the best auto insurance medical expense coverage that you can afford. 🦋

**Visit [www.damatolawfirm.com](http://www.damatolawfirm.com)**

## D'AMATO LAW FIRM

SOUTH JERSEY PERSONAL INJURY LAW CENTER

The D'Amato Law Firm focuses their practice in representing those who have been seriously injured in construction, products liability and motor vehicle collisions. The firm handles cases throughout the country with a primary focus on representing victims injured in Southern New Jersey. The D'Amato Law Firm has a national reputation for excellence.

**Paul R. D'Amato, Esquire**  
Member NJ Bar

**Alexa D'Amato Barrera, Esquire**  
Member NJ & PA Bar

**Stephen M. Van Natten, Esquire**  
Member NJ & PA Bar

**Kasi M. Gifford, Esquire**  
Member NJ & PA Bar

2900 Fire Road, Suite 200 • Egg Harbor Township, New Jersey 08234

P: 609-926-3300 • F: 609-926-3883