

Subrogation From the Health Plan's Perspective

FIRST
RECOVERY
GROUP

First Recovery Group

- Largest privately held healthcare subrogation company in the country
- Our goal is help health plans reduce their costs by identifying claims that they have paid that should have been paid by another insurance company - specifically, a casualty carrier.

What is healthcare subrogation?

The process by which a healthcare payor seeks recovery from a property and casualty carrier for claims that the payor made on behalf of its member who was injured in an accident

What is healthcare subrogation?

Three important elements to the definition of healthcare subrogation:

- Always dealing with paid claims
- Always dealing with accidents
- Always recovering dollars paid by a healthcare payor from a property and casualty carrier

Examples of Subrogation claims

- Motor Vehicle Accidents
- Injuries on someone else's property
- Job Related Accidents
- Medical Malpractice
- Dog Bites
- Assaults
- Faulty Products

Recovery Sources

- Automobile insurance companies
- General liability insurance policies
- Homeowners/renters insurance policies
- Workers' Compensation insurance policies
- Medical malpractice insurance policies
- Product liability insurance policies

Michigan No-Fault

- Provides for personal injury and property protection without the burden of proving liability
 - Drivers, Passengers, Pedestrians, Bicyclists
- Covers all accidents that occur in Michigan
- Also covers Out-Of-State accidents that involve a vehicle or person that is covered under a Michigan no-fault policy

Michigan No-Fault

- Benefits are not limited to *traditional* automobile accident claims
- Benefits may also be available for
 - Persons entering or exiting a vehicle
 - Loading or unloading of a vehicle
 - Performing maintenance on a vehicle
 - (i.e., changing a tire or oil)

The Choice

When purchasing a no-fault policy in Michigan, a person has an election to make: either choose a policy that coordinates medical (which means the policy is secondary or excess to health insurance) or choose a full medical policy (which means the auto policy is primary for treatment relating to the accident).

Primary vs. Secondary

- When the member has elected a coordinated no-fault policy, who is primary for medical?
- Just because someone elects a coordinated policy (excess) does not automatically mean that auto is secondary

Primary vs. Secondary

- Medicaid or Medicare vs. coordinated
 - auto is primary
- Self-Funded ERISA employee benefit plan vs. coordinated
 - Terms of the ERISA plan control outcome
- Fully funded ERISA vs. coordinated
 - auto is secondary

Conclusions

In order to determine who is primary and who is secondary when dealing with auto accidents in the state of Michigan, consideration has to be given to both the type of auto policy purchased (whether it's a coordinated or full medical policy) and the type of health benefits the person is covered under.