

Medpay: essential auto insurance coverage

In 2008, a study was commissioned by the state of Colorado to determine the impact our current motor vehicle laws were having on insurance claimants. The study found that Colorado's laws were unfavorable for patient's obtaining medical care; and health care professionals responsible for providing that care were having extreme difficulty in getting paid for their efforts. As a result, Colorado enacted a law making medical payment coverage a mandatory coverage for all insured motorists. This coverage, called MEDPAY, is used to provide reimbursement for any necessary medical care. Ambulances, doctor's visits, medications, and other medically necessary therapies (including Chiropractic care) would be available to you without restrictions.

Unfortunately, with everything good there is often comes at least something undesirable. To appease those who couldn't stand to see their insurance premiums increase, the legislators allowed people to opt-out of this coverage. This opt-out has led a great number of people to drop this 'mandatory but optional' coverage. There exists a great deal of misunderstanding as to the nature of MEDPAY. I'm hoping this article will help answer some questions.

Let's do some math

So is MEDPAY really worth it? According to figures obtained from the insurance industry, it most definitely is. According to statistics, most people will be involved in a car accident once every 7-9 years.



For those injured, the average cost of medical recovery is between \$10-12,000.00. So if we round off the numbers statistically you will have one car wreck every 10 years and it will cost about \$10,000.00 to get you better. Statistics are, of course, averages. And many people will actually spend less on recovery. but for every person spending less that is balanced out by someone who actually pays more to get better. Insurance is all about statistics. The insurance company is betting that you won't get into an accident, and you're betting that you will. Insurance is actually a bet against yourself.

In the example above, the medical expenses would equate to around \$1,000.00 per year. I currently carry \$25,000.00 of MEDPAY on my auto policy for an additional premium of \$10.75/month. That's an annual cost of \$129.00/year. Over ten years, \$ 1,290.00. So I'll bet that money that I will get into an accident. If I do, then I win and the insurance



company must pay for my recovery. They'll pay me \$10,000.00 for what I only paid \$1,290.00. So if you get into one accident in ten years, having MEDPAY will pay me about \$7,700.00. More correctly it will pay my doctor bills. But that's

money that I won't have to spend on my treatments.

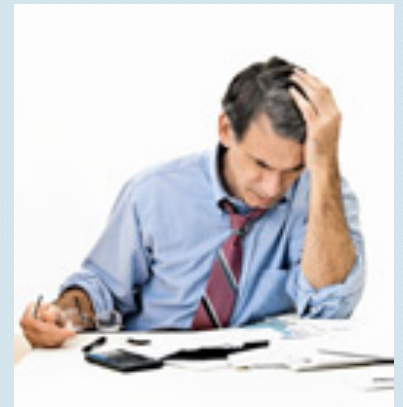
Then consider this scenario: what if you are driving to soccer practice with your wife, your two kids, and your son's best friend? MEDPAY covers all the occupants of the vehicle without restrictions. And without an extra increase in the premium. Everyone in the car is still covered for \$25,000.00 for that \$10.75 premium. If two of the occupants were injured, you've just saved yourself \$15,400.00 in potential medical expenses by having MEDPAY. What if everyone in the car was hurt. You can add it up yourself. MEDPAY is, in fact, the cheapest form of healthcare currently available in our country. It's thousands of dollars cheaper than even basic health insurance.

My health insurance will take care of my medical bills...

Will your health insurance waive your annual deductible if you're in a crash? MEDPAY has no deductible. Does your health insurance have co-pays for doctor's visits, and medications? MEDPAY pays 100% of the cost, without co-pays. Are other forms of care like physical therapy, chiropractic, acupuncture, and massage therapy covered?

MEDPAY will also pay for all these additional services. Finally, will your health insurance cover your son's friend. What if his family doesn't have health insurance? MEDPAY would cover his treatment too!

Relying on your standard health insurance is a way to slowly rack up huge expenses, especially if your recovery takes 6 months; 12 months; or more than a year. Co-pays are often \$20.00 or more. Twenty visits to a physical therapist alone would cost you \$400.00. Money that you never have to spend when you have MEDPAY.



Choosing your coverage

MEDPAY is usually available in \$5000.00 increments up to \$25,000.00 and then also available for \$50,000.00 and \$100,000.00 amounts. This is the cap of the coverage and it is available without restrictions. However, everyone's needs are different so I've outlined some key things to consider:

1. Do you have standard health insurance? If you do not then you should buy as much MEDPAY coverage as your insurance company will allow you to. Most company's cap out at \$25,000.00. Shop around if you want more. If you do have health insurance, I still recommend carrying at least \$15,000.00 to cover ambulances, co-pays and non-covered services like massage therapy.

2. What's the average cost of recovery? As I mentioned previously it's about \$12,000.00. I would recommend a minimum of \$15,000.00 coverage to give you some extra. But I highly recommend you get at least \$25,000.00 coverage in case you or another occupant is more seriously injured.
3. Do you drive in a smaller vehicle? If you do you are more likely to be seriously injured in a crash if it occurs. The smaller your car the more MEDPAY you should buy. This also goes for people who do a lot of highway driving. Injuries are usually more extensive when they occur at higher speeds.
4. Do you carpool? Friends, and your kid's friends could also be injured in an accident. They might end up having to sue you to get their medical expenses covered. If you want your friends to still be your friends after an accident, make sure you carry enough coverage to get them better.
5. Do you carry un-insured/under-insured motorist coverage? Some estimates say that up to 40% of drivers are un/under insured. So if they hit you there is no insurance to protect you. If you don't have un/under insured motorist coverage then you need at least \$25,000.00 of MEDPAY.
6. Are you a bad driver? Then buy more MEDPAY.
7. Do you have a teenage driver? They are 40% more likely to get into an accident in their

first 5 years of driving than an adult. If you have teenage drivers you need MEDPAY.

8. Do you want to live a long and healthy life; or are you comfortable suffering with pains that were the result of a car accident? If you ever want to keep up with your grandchildren you need not just survive a car wreck; you need to recover from it. MEDPAY is the surest way to assist that recovery.

Ask the doctor

If you don't believe me, ask any health practitioner you can find. Most love MEDPAY. Why? Because it pays 100%, and its hassle-free. Doctors don't need to worry about how they will be paid for the time they are spending with you. MEDPAY assures they will get paid within 90 days. That makes them better able to take care of you without all the red-tape associated with the insurance game. It frees doctors up from dealing with the administrative end of your injury and allows them to focus on the healing aspects of their craft - which is the reason we all got into those professions to begin with.

I hope this has helped answer some questions and shed light on the necessity of having MEDPAY on your auto insurance.

Knowledge is power. And now you know!

Yours in good health,

Dr. Shane R. Conrad *DC, CCSP, CSCS*

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