

Who Pays Medical Bills After a Car Accident in Washington State?

Part I. How PIP, Private Health Insurance, Medicaid, Medicare, and Workers' Compensation Benefits Paid by L&I Typically Work

After a [car accident](#), most people don't just feel injured. They feel buried. Bills start showing up before you've even had a chance to breathe, and the phone calls can make it sound like you're supposed to solve a complicated insurance puzzle while you're still trying to get through the day. Sound familiar?

In Washington State, the answer to "who pays the medical bills" depends on a variety of factors, including what coverage(s) you may have available and whether the collision was work-related. In many situations, more than one entity may be responsible for paying bills along the way, and later, those entities may claim a right to be reimbursed if money is recovered from the at-fault driver's liability insurance. That reimbursement concept is called subrogation and will be discussed further in a separate article.

At [The Scott Law Firm, PLLC](#), attorney Colin Scott helps injured people understand how medical billing and reimbursement issues can affect a personal injury claim, and why the "who pays first" question is not always straightforward.

The Starting Point Matters: What Coverages Exist, and Do They Apply?

Two issues need to be resolved from the outset:

1. **What insurance coverages are potentially available** (e.g. PIP, private health insurance, Medicaid, Medicare).
2. **Whether the crash happened "on the job."** Sometimes, when an injury occurs, it is easy to determine whether the injured person was working and therefore considered "on the job." In other situations, the answer may not be straightforward, in which case you should consult with an attorney who specializes in handling workers' compensation claims on behalf of injured workers. Having said that, generally if an injury occurs while someone is working in the course and scope of their employment for an employer that is based in Washington, then the worker will generally be entitled to receive workers' compensation benefits through the [Washington State Department of Labor & Industries \(L&I\)](#) or through their self-insured employer.

Even when the other driver is clearly at fault, medical bills still have to be paid in real time or risk being sent to collections. That's why the practical question is often: *Which of these coverages can start paying for my medical bills now?*

Personal Injury Protection (PIP) in Washington

In Washington, Personal Injury Protection (PIP) coverage is [optional](#) and must be offered by your insurer, but it is not required. If you do not have PIP coverage on your motor vehicle

policy, a named insured on the policy must reject it in writing (usually by signing a document provided by your insurer).

If you do have PIP, it is often one of the fastest ways to get accident-related medical bills processed, because it is designed to pay certain benefits without waiting for a liability decision. In fact, if you have PIP coverage, then it is available regardless of who is at fault for causing the accident.

In most cases, PIP is treated as a primary payer for any accident-related medical treatment, so long as the treatment is reasonable and necessary and incurred within three years from the date of the crash. Once the PIP limits have been exhausted (that is, the maximum amount of insurance coverage available through PIP has been paid by the insurer) then one or more other health insurance coverages may come into play.

If you have a motor vehicle insurance policy that was issued in the State of Washington, the typical amount of coverage for PIP medical benefits is \$10,000 – but this limit can be higher if you purchased more coverage. Some policies may have PIP benefits as high as \$35,000 or even more. There may also be multiple PIP coverage policies available following an accident, even if the crash only involved a single vehicle.

Once the initial PIP limits are exhausted, the next layer of insurance coverage (assuming there is one) will apply. Identifying the next coverage is something you should discuss with a qualified attorney who handles personal injury cases.

Private Health Insurance

If you have private health insurance, then it may provide benefits to pay for your medical expenses following an accident. Many private health insurance plans pay a contractually negotiated rate to major hospitals and providers, meaning they pay less than someone who does not have insurance and is required to pay out of pocket.

What If You Don't Have PIP or Private Health Insurance?

If you don't have PIP and you don't have private health insurance, it may be worth exploring whether you qualify for Washington Medicaid (Apple Health). The [Washington Health Care Authority](#) provides information on [applying or renewing coverage](#).

If Medicaid pays accident-related medical bills, Medicaid also has a reimbursement interest against any money that is recovered from a personal injury case. By law, Medicaid has a right to recover these expenses. However, an experienced personal injury lawyer may be able to help reduce the amount Medicaid is seeking to recover.

To learn more about how Medicaid benefits paid following an accident may affect your personal injury settlement, you should consult with a qualified personal injury attorney.

Washington's HCA also publishes guidance on personal injury and casualty [recoveries tied to Apple Health coverage](#).

Medicare After a Car Accident

If you are a Medicare beneficiary or Medicare eligible, reporting and reimbursement rules are mandatory by law. Regardless of whether Medicare is the primary or secondary payer (such as when there is also private health insurance coverage available), Medicare has a statutory right to recover any benefits that have been paid so long as they are related to the accident.

Medicare laws may also require the beneficiary to set aside money from a settlement to pay for any future medical needs that are related to the accident.

Because Medicare issues can be time-consuming and detail-heavy, it is important to treat them as a core part of the claim process, not an afterthought. Consulting with a personal injury attorney who is familiar with Medicare laws and how they can affect someone's recovery in a personal injury case is highly recommended.

If the Crash Happened on the Job: L&I Workers' Compensation

If you were injured "on the job" while working for an employer that is based in the State of Washington, the Department of Labor & Industries (or your self-insured employer) is responsible for providing medical treatment and other benefits related to the injury. Because it is not always clear whether someone is considered "on the job" when an accident occurs, it is best to consult with an attorney who specializes in handling workers' compensation claims.

Additionally, if someone else caused the crash and there is a potential third-party recovery available (for example, in an auto accident the at-fault driver's liability insurer would be considered third party to the underlying workers' compensation claim), Washington law sets out specific rules for how reimbursement to L&I works. Once again, it is best to consult with an attorney who can identify these issues and ensure they are properly addressed.

Why L&I Cases Are Different From "Regular" Car Accident Cases

When someone is injured in a car accident and they also happen to be on the job working for an employer (such as an employee who operates a commercial vehicle for a living or works as a delivery driver), two entirely different sets of law will apply to the workers' compensation claim and the personal injury claim. Some of the main differences are discussed further below.

One major difference between the two sets of laws is that L&I claims generally do not require proving fault. In other words, it doesn't matter who is at-fault for causing the injury; it only matters that the injured worker was considered "on the job" in order to be eligible to receive workers' compensation benefits. If the answer is affirmative, then the injured worker can quickly begin receiving benefits for things like medical care as well as receive a percentage of their lost wages during the period they're unable to work.

This differs from personal injury claims, where the injured plaintiff must prove fault of one or more defendants before any financial compensation can be recovered. Even after fault has been proven, the personal injury claim may not fully resolve for many months or even years after the accident has occurred, which means the injured plaintiff may not receive any compensation until the very end of their case.

There are also some very important benefits that an injured worker can receive if they choose to pursue a personal injury claim. One major benefit is that in a personal injury claim the plaintiff may seek to recover the full amount of their past lost wages (whereas workers' compensation laws only allow a percentage). Unlike workers' compensation claims, the injured plaintiff in a personal injury case may also be entitled to receive substantial compensation for what is generally referred to as "pain and suffering."

Tobin Allocations and Pain and Suffering

In some circumstances, L&I reimbursement may intersect with how a settlement is written and what categories of damages are being compensated. These issues are sometimes discussed in connection with what is often referred to as a "Tobin allocation," based on Washington case law (including [Tobin v. Dep't of Labor & Indus.](#)). RCW 51.24.060 is one of the key statutory anchors for third-party recovery and reimbursement in the workers' compensation context.

Practical Takeaways on "Who Pays" in Many Washington Cases

Every car crash is different, but many Washington car crash cases follow a similar pattern:

- **If you have PIP on your own motor vehicle insurance policy (or you are eligible to recover PIP benefits on someone else's policy)**, it is generally going to be the first and primary layer of insurance coverage that may be used to pay for your medical treatment – so long as the treatment is reasonable, necessary, related to the accident, and incurred within 3 years from the date of the accident. These PIP payments will be limited to the total amount of coverage that is available. Coverages usually begin at \$10,000 but may be \$15,000 or \$35,000 or even higher, depending on the total amount of coverage purchased and whether there are multiple PIP policies available.
- **Private health insurance** will also pay for medical bills following an accident, but this coverage is usually subject to the terms of a health plan. Many private health insurance plans will only provide coverage after all other forms of insurance (such as PIP) have been pursued and exhausted.
- **If you qualify for Medicaid** and you are enrolled in Washington's Medicaid program (a.k.a. Apple Health), then you may be eligible to receive these benefits subject to the terms of your plan. Not all medical providers accept or are required to accept Medicaid. Therefore, if you would like to save money, it may be helpful to shop around and find a provider who accepts Medicaid prior to obtaining non-urgent care.

- **If you are a Medicare member or eligible to receive Medicare (based on age or disability),** then the federal government steps in and acts as your insurer for various health care needs such as hospital insurance (Part A), and medical insurance (Part B). You may also opt to include a Medicare Advantage plan (Part C) or prescription drug plan (Plan D).
- **If the injury happened while you were working “on the job” for a Washington based employer,** then The Washington Department of Labor & Industries (or your self-insured employer) will be the primary payer for all medical needs related to the injury.

Talk to a Vancouver Car Accident Lawyer About Paying Your Medical Bills

If you were injured in a car accident in Washington and you are unsure how the medical bills should be handled, it is worth getting clarity early. Medical billing decisions, insurance coordination, and reimbursement claims can shape the entire case, including what a settlement can realistically accomplish.

At The Scott Law Firm, PLLC, we help injured people in Vancouver and across Southwest Washington understand how these issues may apply to their situation, including how PIP, private health insurance, Medicaid, Medicare, and/or L&I benefits can benefit someone following an accident. If you need answers, [contact our office](#) for a free consultation.

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