

COORDINATION OF BENEFITS

Definition of Coordination of Benefits (COB)

Commercial COB Rules

Medicare COB Rules

Submitting Other Coverage Information

What is Coordination of Benefits?

COB is the provision that establishes the order in which the State Health Plan and the other plans pay claims, when an employee or dependent is covered by more than one group health insurance plan.

- The insurance plan that pays first is known as the primary carrier.
- The insurance plan that pays second is known as the secondary carrier.
- The insurance plan that pays third is known as the tertiary carrier.

Coordination of Benefit Rules

There are guidelines that determine the order of payment. The guidelines when the other insurance is a group policy are as follows:

- Subscriber /Spouse or Dependent
- Birthday Rule
- Dependent children of divorced or separated parents
- Active/Inactive Employee

Subscriber with other Insurance



State Health Plan



Subscriber

State Health Plan is his primary insurance



Other Insurance



Spouse/dependent

Other Insurance is his secondary insurance

Spouse or dependent with other Insurance



Other Insurance



Subscriber

Other insurance is the primary insurance



State Health Plan



Spouse/dependent

State Health Plan is the secondary insurance

Subscriber/Spouse or Dependent – Example

- Example: Tina, a state employee, and Joe, a Food Lion employee, are married and both have health coverage through their employers. Tina and Joe are covered under both health plans.



Tina

Primary: State Health Plan
Secondary: Food Lion



Joe

Primary: Food Lion
Secondary: State Health Plan

Birthday Rule

If...	Situation	Primary	Secondary
...the dependent child is covered by both parents	Parents are married or have joint custody of the child	Health plan of parent whose birthday falls first within the year pays first	Health plan of parent whose birthday falls second within the year pays second
	Parents are married or have joint custody of the child and they have the same birthday	Health plan of parent whose policy has been in effect the longest	Health plan of parent whose policy has been in effect the shortest

Birthday Rule – Example

Example: Mikey is covered under his dad Jack's State Health Plan as well as his mom Angela's Fidelity Health Plan. Jack and Angela are married.



Angela- Fidelity employee
Birthday January 2nd

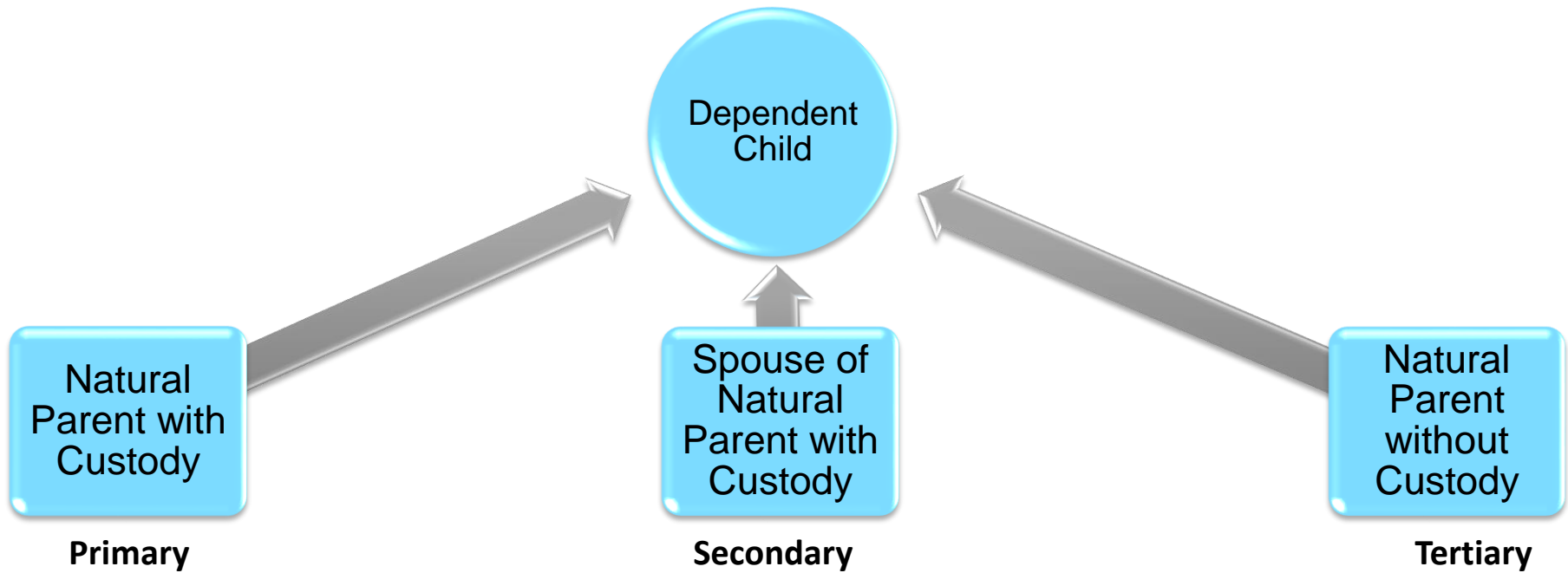
Fidelity is **Primary**



Jack- State employee
Birthday: March 25th

State Health Plan is **Secondary**

Dependent Children of Parents – No Joint Custody



Dependent Children (No joint custody) – Example

- **Example:** Bob is a state employee. He is divorced from Grace. Grace is remarried and has custody of their son Robbie. Grace and her new husband, James, both cover Robbie under their separate group health plans, GE and Cisco, respectively. In addition, Robbie is covered under his dad Bob's State Health Plan



Grace's GE health plan is primary



James' Cisco health plan is secondary

Bob's State Health Plan is tertiary

Inactive vs. Inactive

If...	Situation	Primary	Secondary
...the subscriber on the State Health Plan actively works for the State and...	...is the retiree subscriber under another group's health plan, then...	The State Health Plan is Primary	The other retiree health plan is secondary
the subscriber on the State Health Plan is a retiree and....	...is actively working for another company and covered under its health plan as a subscriber, then...	The health plan of the other company is primary	The State Health Plan is secondary
...the subscriber on the State Health Plan actively works for the State and...	is covered as a spouse under another group's health plan for an actively working or retired subscriber	Subscriber/spouse or dependent rule applies	

Inactive vs. Inactive – Example

- **Example:** Tom is a state employee and is covered under the State Health Plan. He is also a retiree of Conagra Foods and has health coverage as part of his retiree benefits. He is the subscriber under both health plans.



State employee

State Health Plan is **Primary**



Retiree

Conagra's health plan is **Secondary**

Medicare COB Guidelines

There is a separate set of rules used in determining order of payment when the other insurance is Medicare. It is important to note that the state employee does not need to be enrolled in Medicare. The Medicare COB guidelines are applicable as long as the member is eligible for Medicare.

Scenario	Primary	Secondary
Active state employee eligible for Medicare	State Health Plan	Medicare
Active employee eligible for Medicare due to End Stage Renal Disease (ESRD)	State Health Plan (First 30 months)	Medicare
Active employee eligible for Medicare due to End Stage Renal Disease (ESRD) after the first 30 months	Medicare	State Health Plan
Retired state employee eligible for Medicare	Medicare	State Health Plan

Medicare COB Guidelines, con't.

Medicare is also primary and the State Health Plan is secondary for the following Medicare eligible individuals:

- Disability retirees
- Dependents of retirees who also have Medicare.
- Dependents of disability retirees who also have Medicare.

Other Insurance Information

Employees have the responsibility of providing other insurance information for active policies when they initially enroll in the State Health Plan. Other insurance information may also be submitted by completing a COB questionnaire or by completing an online form available at Blue Connect on the State Health Plan website. The information required for COB includes:

- Carrier name
- Policyholder name and names of all covered dependents
- Original effective date of coverage
- Telephone number of other carrier
- Type of coverage (medical, dental, vision, pharmacy)