

# **Co-ordination of Benefits**

## **Provider Perspective**

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# Who Pays First? Who Pays Second?

If two or more group carriers are involved

The primary carrier is the plan that will pay first and the secondary carrier is the plan that will pay second and on down the line.

- Employee, Member or Subscriber  
The plan that covers you as an employee, member or subscriber is primary over the plan that covers you as a dependant
- Dependent Children of Parents Not Separated or Divorced
  - Birthday Rule – The plan covering the parent whose birthday falls earlier in the year is the primary carrier
  - Gender Rule – Some plans covered by State Law (Illinois as an example) follow the gender rule that states the father's coverage is the primary carrier.
- Dependent Children of Separated or Divorced Parents
  - Some states have specific statues that determines which parent's insurance is primary
  - Court Decree
- Dependent Children of Parents with Joint Custody
  - Court Decree

# Medicare & COB-Rules by the Centers for Medicare & Medicaid Services (CMS)

## Who is Primary?

- Age 65 and covered by a group health plan and working or are covered by a group health plan of a working spouse of any age  
Employer > 20 employees- **Group Health**  
Employer < 20 employees- **Medicare**
- Disabled and covered by a large group health plan from your work, or from a family member who is working  
Employer >100 employees – **Group Health Plan**  
Employer <100 employees – **Large Group Health Plan**
- Have an employee retiree plan and are age 65 or older or disabled age 65 or older – Eligible for Medicare  
**Medicare**
- Have end stage renal disease group health plan (including a retirement package)  
First 30 months eligibility or entitlement to Medicare- **Group Health Plan** and after 30 months - **Medicare**

# Medicare COB .....

- Covered under worker's compensation because of a job-related injury or illness & eligible for Medicare  
**Worker's compensation**
- In an accident where no-fault or liability insurance is involved  
**No fault or Liability insurance**
- Have black lung disease and are covered by the Federal Black Lung Program  
**Federal Black Lung Program**
- Age 65 or older or disabled and covered by Medicare & COBRA  
**Medicare**
- Have End-Stage Renal Disease & COBRA  
**COBRA**  
**After 30 months - Medicare**

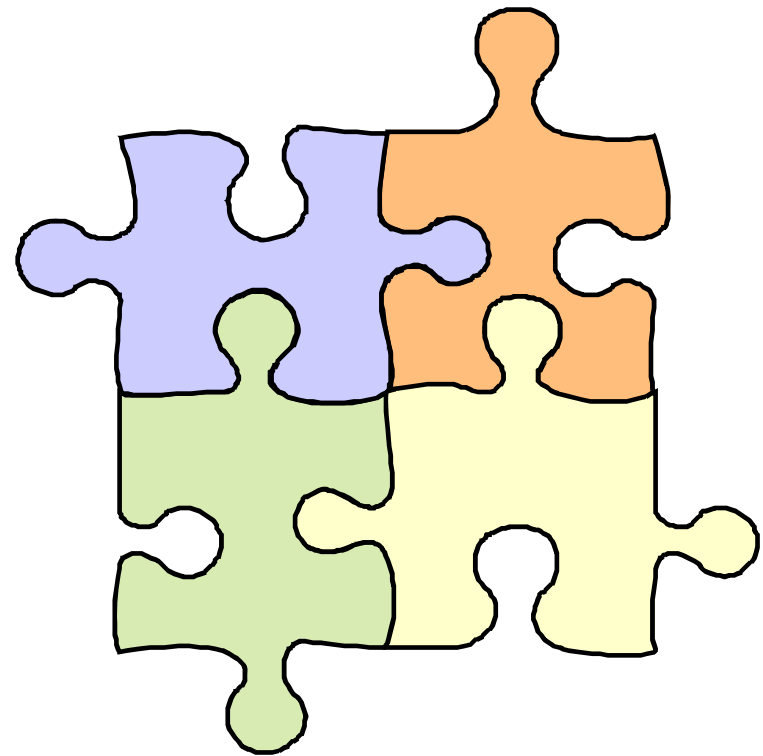
# No Fault Auto Insurance

- Presents unique problems to provider registrars
- Presents the biggest issue with COB for providers
- Discussed in Depth by David Rosen

# Provider Issues

- Information from patients, family members, etc.
- Time constraints during the registration process
- Lack of knowledge of insurance plans-providers thought to be the “expert”
- Communication after the registration process
- Primary Insurance with a master medical provision and the patient has another secondary insurance
- Health Saving Accounts (HSA’s), Michigan Employee Benefit Service (MEBS) and School Insurance Specialists (SETSEG)

# Questions



# Insurance Carrier Issues

- Updating the co-ordination of benefits questionnaire
- Allowing providers to update the co-ordination of benefits questionnaire