Coordination of Benefits

Coordination of Benefits (COB) helps to prevent duplicate payments from benefit plans for the same services. COB is an important provision because it helps to control the cost of health care coverage. COB rules apply when participants are covered by more than one group health plan. This could include:

- other group insurance plans;
- labor management trustee plans, union welfare plans, employer welfare plans, employer organization plans, or employee benefit organization plans; and
- coverage under any tax-supported or government program to the extent permitted by law.

Participants who have multiple plan coverage may consult their plan's Member Handbook for rules that define which plan plays primary, secondary or tertiary and how claims are paid when there are multiple payers.

NOTE: No person can be enrolled in more than one state health benefits plan under any circumstances. If it is determined that a person is covered in error, the program has the right to take corrective action.

To avoid any delay in processing claims, participants should respond to any request for COB information from their health plan's claims administrator and report any changes to ensure proper claims processing. Claims paid primary in error will be adjusted. In no event will a plan pay more in benefits as secondary payer than it would have paid as primary coverage, and no payment will be made in excess of the participant's actual liability.

Following are some basic guidelines for determining coordination of benefits with other plans; however, consult the plan's Member Handbook or the Claims Administrator for more information.

Primary Coverage and Secondary Coverage

When a Covered Person is also enrolled in another group health plan, one coverage will be primary and one will be secondary. The decision as to which coverage will be primary or secondary is made using the order of benefit determination rules. Highlights of these rules are described below.

- If the other coverage does not have COB rules substantially similar to the state plan's, the other coverage will be primary.
- If a Covered Person is enrolled as the employee under one coverage and as a dependent under another, generally the one that covers him or her as the employee will be primary.
- If a Covered Person is the active employee under both coverages, generally the one that covers him or her for the longer period of time will be primary.

- If the dependent is covered as a dependent on their parent(s) plan and they are also covered as a dependent on their spouse's plan, the spouse's plan is primary.
- If the Covered Person is enrolled as a dependent child under both coverages (for example, when both parents cover their child), typically the coverage of the parent whose birthday falls earliest in the calendar year will be primary.
- Special rules apply when a Covered Person is enrolled as a dependent child under two coverages and the child's parents are living apart. Generally, the coverage of the parent or step-parent with custody will be primary. However, if there is a court order that requires one parent to provide health care for the child, that parent's coverage will be primary. If there is a court order that states that the parents share joint custody without designating that one of the parents is responsible for medical expenses, the coverage of the parent whose birthday falls earliest in the calendar year will be primary.
- If a covered active employee or employee's dependent also has other coverage as a retiree or laid off employee, the active coverage is primary and the other coverage is secondary.
- If a covered active employee or employee's dependent is also covered by Medicare, the coverage provided by the employer is primary (unless Medicare eligibility is due to End Stage Renal Disease and the coordination period has been exhausted).

The health plan that is determined to be primary pays first. The plan determined to be secondary pays as follows:

- The Claim Administrator determines the amount that the plan would have paid had it been the primary coverage, then coordinates this amount with the primary plan's payment. The secondary payment in combination with the other plan's primary payment will never exceed the amount the secondary payer would have paid if it had been primary coverage.