

Coordination of Benefits

What is Coordination of Benefits(COB)?

Coordination of Benefits is a method used by health insurance plans in order to determine the payment of a claim when you have more than one plan in your family.

The primary plan will pay for the covered services first under the rules established.

The secondary plan will pay covered services after the first plan pays.

Rules for Coordination of Benefits

- If a court order rule for financial responsibilities for medical expenses, dental and other health related expenses, the plan that covers the parent with this responsibility, will be the primary payer.
- If a court order does not exist, the plan that covers the parent with the legal custody will be the primary.
- If the parent with the custody remarries, the plan that covers the parent with the custody will be primary. If the step mother or step father has a plan it will be the secondary and the parent without the custody will be the tertiary.
- If the parents are married and both have a health plan the rule that will apply is the Birthday Rule. The Birthday Rule states whichever parent birth date is the earliest in the year will be the primary.
- For married couples the primary plan will be the one under their employer. The secondary plan will be the spouse's plan.

Coordination of Benefits with Medicare

- For **retirees** the primary plan will be Medicare and the secondary plan will be Triple-S Salud.
- For **active employees** the primary plan will be Triple-S Salud and the secondary plan will be Medicare.

If you have Medicare and other health insurance or coverage, each type of coverage is called a "payer." When there's more than one payer, "coordination of benefits" rules

decide which one pays first. The "primary payer" pays what it owes on your bills first, and then sends the rest to the "secondary payer" to pay. In some cases, there may also be a third payer.

What it means to pay primary or secondary?

The insurance that pays first (primary payer) pays up to the limits of its coverage.

Paying "first" means paying the whole bill up to the limits of the coverage. It doesn't always mean the primary payer pays first in time. If the insurance company doesn't pay the claim promptly (usually within 120 days), your doctor or other provider may bill Medicare. Medicare may make a conditional payment to pay the bill, and then later recover any payments the primary payer should've made.

The one that pays second (secondary payer), only pays if there are costs the primary insurer didn't cover.

The secondary payer (which may be Medicare) may not pay all the uncovered costs.

If your employer insurance is the secondary payer, you may need to enroll in Medicare Part B before your insurance will pay.

How COB helps?

- COB avoid overpayment of medical services covered by two or more health plans at a time. This means that the amounts paid by health plans do not exceed the 100% of the amount claimed.
- Set the payment order in which they will pay the bills when the insured has more than one health plan.
- The insured may recover (through a refund) an amount of the cost of medical services. Can also mean not having to pay deductibles or coinsurance when the provider submits the claims directly to health plans.

For more information contact our Customer Service Center (787)774-6060.