

Coordination of Benefits

Most group and some individual health benefit plans contain a Coordination of Benefits (COB) provision. This means that when a member is covered under two or more plans, the benefits of these plans will be coordinated so that the total amount paid out does not equal more than the actual cost of treatment. Coordination of Benefits is vital in keeping the cost of coverage as low as possible.

Effective for dates of service beginning January 1, 2008, Asuris will be changing the way claims are processed in relation to COB. We are making these changes to comply with a new rule issued by the Office of the Insurance Commissioner (OIC). This new rule applies to all employer groups and individual plans. However, Employee Retirement Income Security Act (ERISA) self-funded groups and Boeing are exempt.

If the member is entitled to benefits under another health care plan in addition to Asuris Northwest Health, please bill the primary insurance first. If you are not sure who the primary insurance is, call the customer service department at Asuris Northwest Health for information.

Secondary submission

- If you are submitting a paper claim, please attach the Explanation of Benefits or the voucher form from the primary insurance for proper coordination.
- If you are submitting an electronic claim, be sure to complete all the other insurance payment fields correctly to insure proper coordination with the primary payer. Please follow your guidelines for electronic submissions. If you have any questions regarding the electronic format, please contact your professional relations representative.

Note: *Asuris Northwest Health can accept secondary claims electronically. To find out more about how this option works, please see the detailed policy on the Washington Healthcare Forum's Web site, at: www.wahealthcareforum.org, or have your practice management system vendor contact the Washington eBusiness Support Center at 1 (800 373-1477.*

Occasionally a member forgets to notify us that he or she is covered under more than one health plan. If the member's account shows a credit balance because both this plan and another plan paid for a service, please notify us before reimbursing the member for overpayments.

Coverage under Healthy Options is usually secondary to any other coverage. Please see the Healthy Options section of this manual for more details on COB.

Coordination of Benefits

(Order of Payment, Continued)

Order of Payment

When handling Coordination of Benefits claims, insurance carriers use standard industry guidelines to determine the “primary” carrier that is, the one that pays first. When Asuris Northwest Health is the primary coverage, we provide reimbursement according to the member’s contract terms, up to our allowed amount. Under the new rule effective January 1, 2008 all health plans processing COB claims in the secondary pay position will reimburse using the highest allowable expense among the primary and secondary position.

When Asuris Northwest Health is the secondary coverage, beginning January 1, 2008, under the new rule, Asuris will coordinate using the EOB you have sent us on the hardcopy claim or information you have supplied us on the electronically submitted claim to determine which plan has the highest allowable expense. Asuris will make payment in an amount that, when combined with the amount paid by the primary plan, will equal one hundred percent of the total allowable expense.

In addition, if the primary plan’s allowed and payment amount is unknown, plans in the secondary position can no longer deny claims for primary insurance information. An estimate of what the primary payment will be must be made and completion of the claim processing must be done within 45 days of receipt of claim.

Asuris will attempt to process the claim with the correct allowance the first time by calling the primary insurance for the claim payment detail if not supplied by the provider of care. If we are not able to obtain this information, claims will be pended for that information up to 45 days. The COB pended claims will show on the back of your weekly voucher in the “Claims Pending Investigation” section. If the primary insurance claim payment detail is not received by the 45th day after receipt of the claim, Asuris will estimate the primary payment at 80% of our allowed amount and pay our portion of the claim.

Determining Order of Payment- prime vs. secondary carrier

Asuris Northwest Health uses the following guidelines to determine primacy when more than one health plan is involved.

Natural parent, living together, never married

The ‘birthday’ rule applies. See further down in this section, our definition of the birthday rule. When a relationship dissolves, often dependent children are either covered for health insurance by only one parent, or are court ordered to be covered in some other way. Occasionally there are no legal agreements that itemize how a dependent’s coverage is to be taken care of.

Birthday rule

The birthday rule is a guide for coordination of benefits. It states that the coverage of the parent whose birthday falls earlier in the calendar year is primary on dependents.

Coordination of Benefits

(Determining Order of Payment, Cont.)

Divorced parents

Asuris Northwest Health will obtain a copy of the divorce decree and follow the arrangements made in the maintenance agreement.

One parent has financial responsibility and the other parent has custody

Primacy is based on who has custody. See below, listed in the order of coordination:

2. Natural parent with custody
3. Spouse of parent with custody
4. Other natural parent

Spouse of the other natural parent

One parent has both custody and full financial responsibility

1. Natural parent with financial responsibility
2. Other natural parent
3. Spouse of parent with custody
4. Spouse of the other natural parent

Dependent actually resides with each parent 50% of the time, or 'joint custody'

1. Natural parent with financial responsibility and custody
2. Spouse of parent with financial responsibility and custody
3. Other natural parent
4. Spouse of the other natural parent

Dependent resides with each parent, but actually resides with one parent MORE than 50% of the time

1. Natural parent's insurance plan which has covered the dependent for the longest period of time.
2. Other natural parent
3. Spouse of the parent whose insurance plan has covered the dependent for the longest period of time.
4. Spouse of the other natural parent.

The natural father has financial responsibility and the natural mother has custody, but NEITHER parent has health coverage for the dependent

1. Stepfather (spouse of the parent with custody)
2. Stepmother (spouse of the other natural parent)

The natural father has financial responsibility until the child is 18 and the natural mother has custody, and the child is now 18

1. Natural parent's insurance plan which has covered dependent for the longest period of time
2. Other natural parent
3. Spouse of the parent whose insurance plan has covered the dependent for longest period of time.

Payment Allowance

In no event will Asuris Northwest Health's payment for covered services together with the payment made by the primary carrier exceed the amount that would have been payable if Asuris Northwest Health had been the primary carrier.

The practitioner agrees to accept the negotiated amount as payment in full, whether that amount is paid in whole or part by the member, us, or by any combination of payers, including other payers that may pay as primary.

Note: *As stipulated in the "hold harmless" section of your agreement, any balance remaining cannot be billed to the member.*