

# COORDINATION OF BENEFITS

## IN UTAH

*A brief overview*



### Definition:

*When a patient has more than one health plan that covers their medical expenses, a “coordination of benefits” divides the responsibility of payment between the health plans so that together they will pay up to 100% of hospital and professional services. The total amount covered will be addressed in your health plan.*

### What is Coordination of Benefits and how does it work?

If you are covered with more than one individual or group health insurance plan (i.e. through your employer and through your spouse’s employer), you may be subject to a Coordination of Benefits when you file a claim. This means that your health plans will need to determine the order of benefits prior to paying any claims. Your health plan, through your employer, will be the Primary Plan and will pay its portion of the claim first. Then the health plan through your spouse’s employer, the Secondary Plan, will pay its portion of the claim. For your spouse, the Primary Plan will be their employer plan, and the plan through your employer will be the Secondary Plan. (See Example 1)

#### Example 1:

John Doe’s has a family health plan through “Health-Be-Mine”. Jane Doe has a family health plan through “Insure-Me-Now”.

	<u>Health-Be-Mine</u>	<u>Insure-Me-Now</u>
John	Primary Plan	Secondary Plan
Jane	Secondary Plan	Primary Plan

Both payments may equal up to 100% for covered charges of the claim, but will not pay more than the full cost, or negotiated rate if you see a preferred provider. If you are not sure how your health plans work, or how much they will pay, please contact the administrator of your health plans by calling the phone number on your health plan identification cards.

### Will both of my health plans pay for everything?

No. Each health plan has basic requirements and most include a cost sharing feature that may or may not have to be paid before payments are made. The coordination process will not provide benefits for

non-covered services or items. For a full explanation of your health plans, please speak with the administrators in charge of your health plans.

### **What about my children, how does my health plan cover them?**

If both parents have a health plan through their employers, in most cases the health plan of the parent whose birthday comes first in the calendar year is considered the Primary Plan and the health plan of the parent whose birthday comes second is considered the Secondary Plan. (See Example 2)

#### **Example 2:**

John Doe's birth date is April 1, Jane Doe's birth date is January 19. They have two children, Abby and Andy,

	<u>Health-Be-Mine</u>	<u>Insure-Me-Now</u>
John	Primary Plan	Secondary Plan
Jane	Secondary Plan	Primary Plan
Abby	Secondary Plan	Primary Plan
Andy	Secondary Plan	Primary Plan

### **I'm divorced, now how does it work?**

The coordination process depends on the divorce decree. There are additional processes if a parent remarries.

#### **Divorce decree addresses health coverage.**

If the divorce decree states which parent must provide health coverage for the children, then you must follow the terms of the divorce decree, and that parent's plan is primary. (See Example 3)

#### **Example 3:**

John and Jane divorce and the divorce decree states that John is responsible for insurance coverage for his children. Jane still has coverage under "Insure-Me-Now" through her employer. Due to the

divorce, Jane is no longer covered through "Health-Be-Mine," John's health plan.

	<u>Health-Be-Mine</u>	<u>Insure-Me-Now</u>
John	Primary Plan	no coverage
Jane	no coverage	Primary Plan
Abby	Primary Plan	Secondary Plan
Andy	Primary Plan	Secondary Plan

#### **Divorce decree does not address health coverage.**

If the divorce decree does not address health coverage for your children, then in most cases, the "custodial" parent's health plan is considered the Primary Plan and the "non-custodial" parent's health plan is considered the Secondary Plan. (See Example 4)

#### **Example 4:**

John and Jane divorce, but the divorce decree does not address health coverage for their children. Andy and Abby live with Jane 51% of the year so she is designated as the "custodial" parent. Jane is still covered under "Insure-Me-Now" through her employer, and John is still covered under "Health-Be-Mine" through his employer. Due to the divorce, neither has secondary coverage.

	<u>Health-Be-Mine</u>	<u>Insure-Me-Now</u>
John	Primary Plan	no coverage
Jane	no coverage	Primary Plan
Abby	Secondary Plan	Primary Plan
Andy	Secondary Plan	Primary Plan

#### **What if I remarry?**

If the parent with the Primary Plan remarries, their health plan remains primary for his/her children. The custodial parent's spouse's health plan is the Secondary Plan. The non-custodial parent's health plan pays next, and finally the non-custodial parent's spouse's health plan.

For further information or if you have question about what is covered, what is not covered and what your co-pay responsibilities are, please contact your employer and/or the health plan administrator. The detailed rule (R590-131) for the Coordination of Benefits process can be found at: [www.insurance.utah.gov/legalresources/currentrules.html](http://www.insurance.utah.gov/legalresources/currentrules.html)

Questions regarding Coordination of Benefits and other health insurance issues may be directed to the Health Division within the Utah Insurance Department at 801-538-3077, toll free in Utah at 800-439-3805 or on-line at: [www.insurance.utah.gov](http://www.insurance.utah.gov), or email us at: [uid.health@utah.gov](mailto:uid.health@utah.gov)

#### **Disclosure:**

These rules apply only to fully insured individual and group health insurance plans. If any of the coordinated health plans are not fully insured, these rules may be different. Contact your health plan administrator to determine if they are fully insured.

Different Coordination of Benefit processes apply to:

\*Medicare coverage

\*Self Insured Employers

\*Medicaid

\*Health plans outside of Utah