

COORDINATION OF BENEFITS

Policy Number: ADMINISTRATIVE 125.11 T0

Effective Date: February 1, 2018

Table of Contents	Page
INSTRUCTIONS FOR USE	1
APPLICABLE LINES OF BUSINESS/PRODUCTS	1
PURPOSE	1
DEFINITIONS	1
POLICY	2
PROCEDURES AND RESPONSIBILITIES	2
REFERENCES	4
POLICY HISTORY/REVISION INFORMATION	4

Related Policy

- [Extended Benefits for Total Disability \(Including Succeeding Carrier for Inpatient Admissions\)](#)

INSTRUCTIONS FOR USE

The services described in Oxford policies are subject to the terms, conditions and limitations of the member's contract or certificate. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members. Oxford reserves the right, in its sole discretion, to modify policies as necessary without prior written notice unless otherwise required by Oxford's administrative procedures or applicable state law. The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies.

Certain policies may not be applicable to Self-Funded members and certain insured products. Refer to the member specific benefit plan document or Certificate of Coverage to determine whether coverage is provided or if there are any exclusions or benefit limitations applicable to any of these policies. If there is a difference between any policy and the member specific benefit plan document or Certificate of Coverage, the member specific benefit plan document or Certificate of Coverage will govern.

APPLICABLE LINES OF BUSINESS/PRODUCTS

This policy applies to Oxford Commercial plan membership.

PURPOSE

The purpose of this policy is to provide guidelines that define the order of coverage where insurance and managed care companies coordinate coverage and payment of medical services for Members covered under more than one plan.

Note: For additional information, refer to: [Extended Benefits for Total Disability \(Including Succeeding Carrier for Inpatient Admissions\)](#).

DEFINITIONS

Coordination of Benefits (COB): A provision used to establish the order in which plans pay claims when more than one source exists.

Explanation of Benefits (EOB): A detailed explanation of payment or denial of a claim made by an insurance carrier. An EOB may also be referred to as a remittance advice.

Maximum Allowable Amount: The maximum amount that can be reimbursed between all carriers. It is defined service by service based on the line of business (LOB) of the Primary Carrier (Medicare or commercial) and the status of the provider with the Primary Carrier.

Primary Carrier: The carrier that has been determined to be responsible for primary payment by applying the criteria to determine the order of benefits.

Secondary Carrier: The carrier that has been determined to be responsible for secondary payment (also referred to as paying as secondary).

Tertiary Carrier: The carrier that has been determined to be responsible for payment after the primary and secondary payment (if any).

POLICY

Coordination of Benefits (COB) is a provision which establishes the order in which insurance plans pay claims when an individual has coverage under more than one plan. The insurance industry has developed a consistent and orderly way to determine which plan pays its full benefits and which plan pays a reduced amount (if any), which when added together equal more than a single plan's benefit, but not more than the total amount of the allowable charges incurred. It is intended that individuals do not profit when having coverage under more than one plan and that Members and/or providers receive the appropriate amount of reimbursement for medical services.

Coordination of Benefits (COB) applies when:

- Both spouses cover their family through their employers
- Both spouses are covered by the same insurance carrier but work for different employers
- Member is Federal Medicare eligible
- Member is retired from one job and actively employed elsewhere
- Member is injured in an automobile accident
- Member is injured on the job
- The primary subscriber has more than one employer
- A domestic partner is eligible and enrolled in Medicare
- A surviving spouse is eligible and enrolled in Medicare

PROCEDURES AND RESPONSIBILITIES

OptumInsight COB Operations ensures the accuracy of COB information by researching and establishing which payer is primary for the family or Member when more than one carrier exists. It is imperative that the most current COB information is on file in order to process a Member's claims accurately.

Circumstances for COB

COB Rule	Description of COB Rule
Birthday Rule	<ul style="list-style-type: none"> • When a dependent child is covered under both parents' health plans, the plan of the parent whose birthday falls earlier in the calendar year pays first. Only the month and the day are considered, not the parents' years of birth. Example: If the mother's birthday month is March and the father's birthday month is June, then the mother's health plan is primary. • If both parents have the same birthday, then the plan which covered the parent longer is primary over the plan which covered the parent for a shorter time. • When a newborn is covered for the first 31 days (enrolled or not enrolled), the plan of the parent whose birthday falls earlier in the calendar year pays first.
Custody and Divorce	<p>If two or more plans cover a person as a dependent child of a divorced or separated parent and there is no court decree allocating responsibility for the child's health care coverage, the benefits for the child are determined in this order:</p> <ol style="list-style-type: none"> 1. The plan of the parent with custody of the child 2. The plan of the spouse of the parent with custody of the child 3. The plan of the parent without custody of the child 4. The plan of the spouse without custody of the child
Gender Rule	<ul style="list-style-type: none"> • If Oxford verifies that the other carrier is using the Gender Rule, the Gender Rule will be applied by Oxford as well. • If the gender rule is applied, the father's coverage is primary and the mother's coverage is secondary.
Longer Shorter Rule	<p>If two or more plans cover a person as a dependent child of a divorced or separated parent and the dependent:</p> <ul style="list-style-type: none"> • Is over the age of 18; and • There is no court decree/order in place <p>The plan of the parent whose plan was effective first is primary over the plan of the parent whose plan was effective second.</p>
Medicaid	Medicaid is secondary to all carriers, including individual product plans.

COB Rule	Description of COB Rule			
Medicare	<p>If a member is covered by both Medicare and an Oxford plan, primacy rules are based on the reason the member is eligible for Medicare.</p> <p>Note: Medicare is always primary to a direct-pay policy such as Individual Product.</p>			
	Medicare Due to ESRD	Coverage Period	Primary Insurance	Secondary Insurance
	<p>If the Member is covered by Medicare due to End Stage Renal Disease (ESRD), the Commercial carrier is Primary for the first 33 months. This is known as the coordination period. The coordination period starts from the first day of the first month of dialysis treatment. If the Member does not already have Medicare, there is a 3 month waiting period. Then, after the 3 month waiting period, the Commercial carrier is Primary for the following 30 months.</p>	First 33 months (Coordination period)	Oxford	Medicare
		After 33 Months (Post Coordination Period)	Medicare	Oxford
	Medicare Due to Age	Employer Group Size	Primary Insurance	Secondary Insurance
	<p>If the Member is covered by Medicare due to age and in an employer group plan, then the primary insurer is based on the working status of the subscriber. If a subscriber is:</p> <ul style="list-style-type: none"> Not actively at work, Medicare is primary over the Oxford plan. An active employee, primacy is based on group size. If the group is: <ul style="list-style-type: none"> Less than 20 employees*, Medicare is primary Twenty or more employees*, Oxford is primary <p>*Includes all active employees (including part time).</p>	Less than 20 employees	Medicare	Oxford
		20 or More employees	Oxford	Medicare
Medicare Due to Non-ESRD Disability	Employer Group Size	Primary Insurance	Secondary Insurance	
<p>If the Member is covered by Medicare due to non-ESRD disability and in an employer group plan, then the primary insurer is based on the working status of the subscriber. If a subscriber is:</p> <ul style="list-style-type: none"> Not actively at work, Medicare is primary over the Oxford plan. An active employee, primacy is based on group size. If the group is: <ul style="list-style-type: none"> Less than 100 employees, Medicare is primary One hundred or more employees, Oxford is primary 	Less than 100 employees	Medicare	Oxford	
	100 or More employees	Oxford	Medicare	
Third Party Liability	<p>The first claim that is received and identified as possible worker's compensation or motor vehicle accident is automatically suspended for investigation. The provider will be notified of the pended claim and all subsequent claims will be released for processing and payment.</p>			
Subrogation	<p>In the event that a Member receives Plan benefits for an injury or an illness for which a third person, organization or governmental entity is liable to pay damages, where permitted by law, Oxford shall be subrogated to the proceeds of any settlement, judgment or other recovery effected against the third party.</p>			

Reimbursement Guidelines

Reimbursement Rule	Description
Oxford as Primary	<ul style="list-style-type: none"> Oxford follows the traditional method of benefit coordination. Claims are processed as though there is no other coverage if it is determined that: <ul style="list-style-type: none"> Oxford is the primary insurance plan, or COB status guidelines indicate Oxford does not coordinate, or Service does not qualify for Coordination of Benefits

Reimbursement Rule	Description
	<ul style="list-style-type: none"> Oxford will assess all possible “other” coverage in order to ensure correct payment of a claim. Other coverage refers to plans that provide medical or dental, including but not limited to: <ul style="list-style-type: none"> Any group insurance, prepaid health plans, or any other insured or uninsured arrangement of group coverage Where permitted by state law, any automobile insurance contract, pursuant to any federal or state law, which mandates indemnification for medical services to persons suffering bodily injury from motor vehicle accidents, but only if: <ul style="list-style-type: none"> Covered Services are eligible for payment under the provisions of such policy; and The policy does not, under its rules, determine its benefits after the benefits of any group health insurance Oxford does not process as primary, if a service qualifies for COB but has been not allowed or was denied by the Primary Carrier for additional information. A corrected claim submission is required.
<p>Oxford as Secondary</p>	<ul style="list-style-type: none"> If it is determined that Oxford is the secondary (or tertiary) plan, Oxford will calculate the difference between the Maximum Allowable Amount and the Primary Carrier's payment. When Oxford is secondary (or tertiary), pre-certification and referral requirements are modified: Referrals and authorizations will be automatically approved upon verbal request or EDI submission. Exception: When a motor vehicle accident (MVA) or worker's compensation (WC) is involved, precertification and referral requests will be reviewed as required by standard authorization guidelines. If a referral or authorization has not been requested/entered, Oxford will waive the requirement deferring to the Primary Carrier's requirements. Note: Other requirements are not waived (e.g., itemized bills, student verification, consent for Behavioral Health exchange, etc.). If the Member's COB status changes from Oxford secondary to Oxford primary, standard pre-certification guidelines apply for all dates of service (DOS) after the change in status. Note: Pre-certification requirements will not apply for all dates of service between the effective date of the status change and the date that Oxford's record is updated. Example: If a Member's eligibility indicates that Aetna is the Primary Carrier on DOS 01-01-11, pre-certification requirements are waived. If on 02-01-11, Oxford receives notification that the Member's COB status is incorrect and Oxford is primary beginning 01-01-11, pre-certification will still be waived for all services that were rendered from 01-01-11 through 02-01-11 as the pre-certification requirements were not clear during this timeframe.
<p>Dual Oxford (Oxford is both the Primary and Secondary Carrier)</p>	<p>If it is determined that Oxford is both the Member's primary and Secondary Carrier, the claim is processed under both Member ID numbers. The original claim is processed under the primary ID. Once the claim has been processed under the primary ID number, the claim will then be processed under the secondary ID number.</p>

REFERENCES

Oxford Certificate of Coverage and Member Handbook.

Oxford Provider Reference Manual available at:

https://www.oxhp.com/providers/toolsResources/practicalResources/pro_ref_manual/prm_tofc.html

POLICY HISTORY/REVISION INFORMATION

Date	Action/Description
02/01/2018	<ul style="list-style-type: none"> Revised procedures and responsibilities/circumstances for Coordination of Benefits (COB): <ul style="list-style-type: none"> Added “Longer Shorter” rule to indicate if two or more plans cover a person as a dependent child of a divorced or separated parent and the dependent is over the age of 18 and there is no court decree/order in place, the plan of the parent whose plan was effective first is primary over the plan of the parent whose plan was effective second Updated “Medicare” rule: <ul style="list-style-type: none"> Modified language pertaining to <i>Medicare Due to End Stage Renal</i>

Date	Action/Description
	<p><i>Disease (ESRD)</i> to indicate Medicare is primary after 33 months (post coordination period); previously listed as "twenty or more"</p> <ul style="list-style-type: none"> ▪ Added language to clarify group size is the number of active <i>employees</i> (including part time) ▪ Replaced references to "Medicare due to disability" with "Medicare due to non-ESRD disability" ▪ Replaced language pertaining to non-ESRD disability coordination indicating: <ul style="list-style-type: none"> - "If the group is less than <i>20</i>, Medicare is primary" with "if the group is less than <i>100 employees</i>, Medicare is primary" - "If the group is <i>twenty</i> or more, Oxford is primary" with "if the group is <i>one hundred</i> or more <i>employees</i>, Oxford is primary" <ul style="list-style-type: none"> • Archived previous policy version ADMINISTRATIVE 125.10 T0