Health New England
Where you matter.

Coordination of Benefits and Subrogation

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Coordination of Benefits (COB) occurs when HNE arranges for payment from an alternative insurance, which may either be "primary" or "secondary" for the claim. When a member is covered under two different plans, HNE coordinates benefits under each plan according to rules issued by the Massachusetts Division of Insurance. For example, an HNE member may also be covered as a dependent on his/her spouse's health insurance plan. In addition, an HNE member's auto insurance may provide personal injury protection (PIP) or medical payment benefits that cover medical expenses incurred as a result of injuries sustained in an automobile accident.

The information in this section ***describes the rules in effect at the time this document was issued and may not describe current amendments.*** There are other COB rules between a group health plan and Medicare described further in this chapter.

Workers' Compensation Insurance provides coverage for medical care received as a result of a work-related injury or condition. There is no primary or secondary insurer for workers' compensation claims; Workers' Compensation Insurance pays if the claim results from a work-related condition. HNE processes claims for services covered by the member's benefit plan when claims are denied by the workers' compensation insurer.

"Subrogation" occurs when HNE assumes a member's right to recover from a third party who caused the member's injury or illness. In this case, HNE processes our member's claims and files legal documents to collect funds from the third party's insurer.

Proceed to each section in this chapter to find additional information about HNE's COB and subrogation processes.

Coordination of Benefits Guidelines for Members with Other Health Insurance Coverage

When a provider determines that an HNE member has other insurance coverage, a determination must be made as to which is primary and which is secondary. If HNE is the primary insurer, the provider must bill HNE first. If HNE is the secondary insurer, the provider must bill the primary insurer and should not submit a claim to HNE until after the claim has been processed by the primary insurer. The claim must be submitted to HNE's Claims Department with an explanation of payment or denial within 90 days.

If HNE receives a claim from a provider for services that HNE determines is the primary responsibility of another insurer, HNE will deny payment on the claim and notify the provider of the reason for denial.

HNE guidelines with regard to prior approvals must be followed even when another insurer is primary. As a secondary insurer, HNE will process provider claims in accordance with the provider's contract. If providers have questions about how COB will affect their claims, providers may call HNE's COB staff at (800) 842-4464.

Coordination of Benefits Guidelines

COB rules determine which health plan is primary (pays first) and which health plan is secondary (pays second). Under HNE COB rules, the plan that covers the person as an employee (subscriber) is primary. HNE subscribers (member number ending with *01) have HNE as the primary insurer and any coverage carried by a spouse[1] is secondary. If the spouse of an HNE member has coverage through his or her employer, that insurance is the primary insurer for him or her and HNE is secondary.

The health plan that covers a person as an employee (subscriber), or as a spouse of that employee, is primary if another plan covers that employee as a laid-off or retired employee.

If a person is a subscriber under two plans, the plan that has covered the person longest is the primary insurer.

If two or more plans cover an HNE dependent child whose parents are not divorced, the "birthday rule" is used to determine order of payment. The plan of the parent whose birthday falls earlier in the year is primary. The word "birthday" refers only to

[1] The same rule applies in the case of an ex-spouse or domestic partner. HNE guidelines *(prior approvals, etc.)* should be followed by HNE members involved in an auto accident. HNE will pay for services covered by the member's benefit plan after PIP coverage has been exhausted or if the auto insurance claim is denied.

the month and day in a calendar year, not the actual year that the parents were born. If both parents have the same birthday, the plan that has covered the parent longest is primary.

If two or more plans cover an HNE dependent child whose parents are divorced, the order of payment is as follows:

1. The plan of the parent responsible for the health care expenses of the dependent child by court decree, if any.
2. The plan of the parent with custody of the dependent child.
3. The plan of the spouse of the parent with custody of the dependent child.
4. The plan of the parent who does not have custody of the dependent child.

Please note that regardless of whether the member has HNE as the primary insurance or the secondary insurance, the rules of your contract with HNE still apply. Members cannot be billed for anything other than their deductible, coinsurance or copay.

Coordination of Benefits Guidelines for Original Medicare Recipients When HNE is Secondary

COB for individuals enrolled in Medicare depends on federal rules determining when Medicare is the primary payer and when Medicare is secondary to commercial health insurance coverage. If Medicare is the primary payer, submit the member's claim to Medicare first, and then bill HNE as secondary payer, with Medicare's explanation of benefit information. The claim must be submitted to Health New England's Claims Department with an explanation of payment or denial within 90 days. If providers have a question about whether Medicare or HNE is the primary payer for an HNE member, providers should call HNE's COB staff at (800) 842-4464.

Effective January 1, 2010, the Patient Protection and Affordable Care Act (PPACA) amended the provision relative to the time period for filing Medicare fee-for-service claims. Effective January 1, 2010, claims for services furnished before January 1, 2010, must be filed no later than December 31, 2010. The following rules apply to claims with dates of service prior to January 1, 2010, and after January 1, 2010.

- Claims with dates of service before October 1, 2009, must follow the pre-PPACA timely filing rules.
- Claims with dates of service from October 1, 2009, through December 31, 2009, must be submitted by December 31, 2010.
- Claims with dates of service on and later than January 1, 2010, must be submitted no later than one calendar year from the date of the service.

Coordination of Benefits Guidelines in Automobile Accident Cases, or Where a Third Party is Liable

If an HNE member is involved in an auto accident, the auto insurer is the primary insurer. In most circumstances there is coverage available under personal injury protection (PIP) benefits through the auto insurer. The auto insurer pays medical bills under this PIP coverage. When the PIP coverage has been exhausted, the provider should submit any outstanding medical claims with a copy of the third party EOP to the HNE COB Department with third party insurance information within 90 days. You should provide any information pertaining to the accident, such as: the date of the accident, the auto insurance carrier, the claim number and the claim adjuster's information.

When medical payments coverage is available (~~such as~~ from automobile or homeowners insurance policies), providers should call HNE's COB/Subrogation staff so that HNE can coordinate coverage with the insurer. If the provider has a question, he or she should contact HNE's COB staff at (800) 842-4464.

Please note that regardless of whether the member has HNE as the primary insurance or the secondary insurance, the rules of your contract with HNE still apply. Members cannot be billed for anything other than their deductible, coinsurance or copay.

Coordination of Benefits Guidelines for Workers' Compensation Injuries

The term "workers' compensation" refers to compensation for an injury incurred by a person while performing his or her job. HNE does not cover any services that are the legal liability of Workers' Compensation Insurance.

HNE guidelines should always be followed by a member even if the case is potentially covered by Workers' Compensation Insurance. In the event the workers' compensation claim is denied, HNE will process claims for services covered by the member's benefit plan. When billing HNE for services that the workers' compensation denied, the provider should submit medical claims to the HNE COB Department with the worker' compensation denial within 90 days. You should provide any information pertaining to the case, such as: the workers' compensation carrier, the claim number and the claim adjuster's information.

If providers have questions about a workers' compensation claim, they should call the COB staff at (800) 842-4464.

Please note that regardless of whether the member has HNE as the primary insurance or the secondary insurance, the rules of your contract with HNE still apply. Members cannot be billed for anything other than their deductible, coinsurance or copay.

Subrogation

HNE may pay medical bills for which another person (or his or her insurer) is legally responsible. HNE then has the right to make a claim against the third party to recover payment for the benefits and services provided. In most cases, based on State laws or Employee Retirement Income Security Act (ERISA) laws, HNE has the right to put a legal hold or "lien" on any court judgment or settlement.

Funds collected from third party payers, like funds received from COB, are added to the HNE health service fund, which funds provider reimbursement and return of withhold.

If providers are aware that a third party is liable for the cost of an HNE member's services, they should notify HNE's COB/Subrogation staff at (800) 842-4464.