What should you know about Coordination of Benefits?

Let's discuss Coordination of Benefits (COB) and the Payers Change to Quarterly Updates (and why it is holding up your money)

What is Coordination of Benefits (COB)?
Many of you, even if you have had a practice for years, have not had to deal with this in the past, at least to the degree that we have in the last few months. COB is an insurance payer attempting to determine if the patient you are treating has any other insurance coverage.

They used to send these notices out annually, and now many of them have begun to send them out quarterly.

The insurance sends a notification to the subscriber of the plan, and asks them to confirm whether or not there is any other insurance for the patient that you are treating. We never used to talk about this much as it was a very small time effort involved and it happened so rarely in the past. Well, this has drastically changed. The insurance companies for the parents are asking this question much more frequently and honestly, it is even bothering the parents themselves. Many of them are thinking, "Hey, I just filled this out", and in truth, they could have only 3 months ago.

How is a COB updated?
How do these forms get updated? The subscriber MUST contact the insurance payer to provide this update either by calling the insurance or updating their Coordination Of Benefits information on the payer's website. Unfortunately with the payers asking this question more frequently, you parents are having to do this several times a year for some of the plans that they have.

The parent/subscriber is supplied a reference number or tracking number, which they should supply to your office. Please note this reference number or tracking number in the patient's account.

Why am I getting so many COB denials?
Insurance payers are beginning to require quarterly versus the yearly updates that they used to request. *Across our client base, this has become a truly time consuming and frustrating process in that it HOLDS UP your payments while they wait to receive this information from the patient's family*. It is forcing subscribers to review and update policy files before they will issue your payment.

Can RCM update Coordination of Benefits for me?
No, we wish we could because then we could actually control the timelines. The subscriber will need to coordinate with the insurance company to update this information.

RCM can resend the claims once this has been updated in the insurance payer's system.

What if the subscriber states there is no other insurance, do they still have to follow up?
Yes, the subscriber must update this information regardless if there is only one plan active for the patient.

What happens if the subscriber does not update the COB?
Insurance payers may withhold the payment for all claims not just the one visit, until the COB has been updated in the payer's website. Once the COB is updated, the claims will need to be reprocessed.

RCM should be informed when the COB has been completed and if there are any changes to the insurances listed in the OP system.

How to determine which insurance should be entered as primary:
What is the Birthday rule?
"The birthday rule is an informal procedure that the health insurance industry has widely adopted for the coordination of benefits when children are listed as dependents on two parents' group health plans.

Under the birthday rule, **the health plan of the parent whose birthday comes first in the calendar year is designated as the primary plan**, according to the National Association of Insurance Commissioners. It doesn't matter which parent is older. The year of birth isn't a factor. Thus, if your birthday is July 15, 1985, and your spouse's is Sept. 17, 1983, your health plan would be considered primary because your birthday comes first in the calendar year." (insure.com)

There are a few exceptions such as Divorce or separation and Court Order. Please understand, not all insurances follow the birthday rule and sometimes a parent post divorce is covering a child as primary.

What if the patient has Commercial and Medicaid insurance?
Commercial plans will always be primary to a medicaid or state plan, however, the parent, the subscriber is still responsible for updating the COB.

Summary
As payers attempt to hold your money and alleviate their own cash flows, we aim to highlight these insurance hurdles and work with you to get this information as quickly as possible. Let us know if you have any questions or concerns. We are here to help.