

Other Party Liability

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Highmark Blue Shield employs several processes to ensure the services provided to its members are paid by the proper insurer and the reimbursement for these services does not exceed the actual charge.

Coordination of benefits (COB) applies when a member is covered by two or more health insurance policies.

- One policy is primary, based on the guidelines outlined in this section, and the other policy (or policies) is secondary.
- Whatever portion of the reimbursement is not covered by the primary policy is considered through the secondary policy.

Workers' Compensation insurance covers medical treatment for work-related injuries or illnesses.

- Federal and State laws require employers to provide this coverage to their employees.
- Employees are entitled to full coverage for all employment-related health care expenses through their Workers' Compensation insurance.
- Highmark Blue Shield is not liable to pay claims under these circumstances unless Worker's Compensation benefits have been exhausted.

Subrogation means the substitution of one person for another. Under this contractual provision, Highmark Blue Shield assumes by operation of law or contract, the rights of its member against the "wrong-doer."

- In other words, when a member is injured because of another's negligence, Highmark Blue Shield can recover from the responsible person or their liability insurance company, any payments made as a result of those injuries.
- The subrogation process occurs after Highmark Blue Shield has paid its covered services, and the paid-in-full provisions for network providers remain applicable.

The Motor Vehicle Financial Responsibility Law requires anyone who registers a motor vehicle in Pennsylvania to provide for specific levels of medical insurance coverage.

- The law mandates a minimum of \$5,000 in medical benefit coverage must be available for each accident victim.
- The victim's motor vehicle accident insurance is always the primary payer for the treatment of injuries sustained in an automobile accident.
- Highmark Blue Shield may pay for covered services after the automobile insurance benefits are exhausted.

For more information on any of these processes, please contact your Provider Relations representative.

Frequently asked questions about COB

When does COB apply?

When a patient is covered by two or more health insurance policies.

Why does COB apply?

COB allows patients to receive up to 100 percent of the cost of covered services, while ensuring that no one collects more than the actual cost of the covered health expenses.

When a member is covered by more than one health care plan, one plan is determined to be primary and its benefits are applied to the claim first. Reimbursement of the remaining balance is considered through the secondary policy, subject to benefit provisions.

Who pays first?

Most health insurance carriers, including Highmark Blue Shield, use the following rules to decide who is primary:

1. Typically, the plan where the patient is enrolled as the applicant (or employee) will pay first. The other plan, perhaps through a spouse, will provide secondary coverage.
2. When both parents provide coverage for a dependent child, the plan of the parent whose date of birth (month and day) arrives earlier in the calendar year, is the plan that pays first. For example: if the mother's birthday is March 10 and the father's birthday is March 20, the mother's plan would pay first.

This is known as the "birthday rule" and applies only when:

- The parents are married, or
- The parents are living together, they are not married to each other or anyone else – and they are not separated from each other, or
- There is a court order for joint custody with no assigned financial responsibility.

If the parents are separated or divorced, then:

- The plan of the parent with whom the child lives pays first.
 - The plan of the stepparent with whom the child lives pays second.
 - The plan of the parent without custody pays third.
 - A court order can establish a different order.
3. When a person is enrolled in two different plans, the plan that has provided coverage for the longer period of time, will pay first. If that person is covered through an active employment plan and also through a retiree or laid off employee plan, the active employment plan pays first.

How much does Highmark Blue Shield consider as primary?

When Highmark Blue Shield is the primary coverage, the services are considered as though no other coverage is available. A health care professional who participates in our networks agrees to accept the program allowance as payment in full. The only amounts billable to the secondary insurance are for coinsurances, deductibles, amounts exceeding a maximum and those charges denied as non-covered.

How much does Highmark Blue Shield consider as secondary?

The secondary payment is based on the amount that remains for each covered service after the primary plan's benefits have been considered. Highmark Blue Shield's payment will never exceed the allowed amount for services rendered.

Exception: A few groups have a non-duplication provision instead of a COB provision. When Highmark Blue Shield makes a secondary payment through a contract that includes a non-duplication provision, the paid-in-full regulations will apply for network providers.

What is Blue on Blue?

In many cases duplicate coverage occurs when both the primary coverage and the secondary coverage are provided through Highmark Blue Shield. In most Blue on Blue cases, the paid-in-full regulations do apply for health care professionals who participate with Highmark Blue Shield networks.

How can health care professionals assist with the process?

- When you file COB claims, submit the claims to the primary carrier first.
- When Highmark Blue Shield is the secondary coverage, you must submit information about the primary insurers' claim payment or denial with the claim to Highmark Blue Shield.
- When filing claims electronically, the nationally accepted electronic submission formats accommodate secondary claims submission.
- If you submit paper claim forms, you must also send us a copy of the other plan's Explanation of Benefits payment information.
- If both insurance companies make payments on a claim and the combined payments exceed your charge, notify Highmark Blue Shield's Customer Service department. They will investigate and advise if a refund is requested.

