Coordination of Benefits

Are you covered by more than one benefit plan?

Many people have coverage under more than one benefit plan – for example, their own plan plus their spouse's plan or a plan offered through their professional association. If this is your situation, you can use both plans when claiming expenses. This is called coordinating your benefits, and it's a great way to cover more of your costs.

The rules

The insurance industry has guidelines for how to coordinate benefits, to ensure claims are charged to the right benefit plan. When coordinating benefits, you cannot receive **more** than the eligible amount of the expense or the actual cost of a product or service if the amount is less than the eligible amount. The eligible amount of an expense is determined by limitations such as but not limited to plan maximums, plan cost sharing requirements and carrier reasonable and customary limits.

Each time you submit a claim, simply check the 'yes' box on your claim form to show that you have other coverage. Remember to make copies of your receipts before you submit a claim.

If you are submitting an expense for yourself, you need to send it to your own benefit plan first then to your spouse's plan. Your spouse should submit their claims to their benefits plan first then to your benefit plan if there is any unpaid amount.

If you have children, the parent whose birthday falls earliest in the year sends the child(ren)'s claims to their plan first. For children whose parents have the same birthday, claims should be sent first to the plan of the parent whose first name begins with the earlier letter in the alphabet.

Important notes

Be sure to let your benefits administrator know about any changes to your covered dependents (e.g. if you get married, or have a child, or if your spouse gains or loses their own benefits plan).

If you have a drug card, remember to give your pharmacist the details of both your benefit plans so they can send claims to the right plan. If both you and your spouse have drug cards under your plans, the pharmacist can coordinate your benefits right at the pharmacy counter.

Examples of how benefits are coordinated

Robin and Chris get 100% of their expense

Robin receives a therapeutic massage and is charged $60. Her benefit plan covers $30 per visit to a yearly maximum of $300. Robin's spouse, Chris, also has a plan that covers the same service for the same amount. Both have already satisfied their annual deductibles, neither of them has reached their yearly maximums and the total amount of the charge is less than then carrier's reasonable and customary amount.

In this case, Robin sends a claim form and the original receipts to her plan and receives a $30 claim payment and a claim statement.

As a member of another plan, Chris submits a claim for the balance. After sending a copy of Robin's claim statement and the expense receipt, Chris' plan pays the remaining $30.

Karen and Sam get less than 100% of their expense

Karen pays $90 for a medical expense. Her benefit plan covers $40 per visit to a yearly maximum of $500. Karen's spouse, Sam, also has a plan that covers the same service at 100% of the eligible cost up to a yearly maximum of $500. Both have already satisfied their annual deductibles, neither of them has reached their yearly maximums. The total charge exceeds the carrier reasonable and customary amount of $80.

In this case, Karen submits her claim to her plan and receives a $40 claim payment. As a member of another plan, Chris submits a claim for the balance. After sending a copy of Karen's claim statement and the expense received, Sam's plan pays $40 (the difference between the $80 reasonable and customary amount and $40).

Karen and Sam are responsible for paying the $10 amount billed above the reasonable and customary amount.

Rashid and Padma get less than 100% of their expense

Rashid buys a pair of glasses for $500. His benefit maximum is $150.

He submits a claim to his plan and receives a claim payment of $150.

Rashid's spouse, Padma, then claims the remaining $350 from her plan. Her benefit maximum is $200. Therefore, Rashid and Padma are responsible for the remaining $150.

Kim and Jan get less than 100% of their expense

Kim submits expenses for $40 and $60 for a total of $100. The benefits plan covers up to 50% of the eligible expense. Kim submits a claim to the plan and receives a payment of $50.

Kim's partner, Jan, then submits the claims to his plan. His plan covers him at 80%. However, the $40 expense is not eligible under Jan's plan so his plan will only coordinate benefits for the $60 eligible expense.

Jan's plan therefore covers $30 (which is the unpaid 50% of the $60 eligible expense). Note: While Jan's plan covers Jan's own claims at 80%, Jan can only claim the remainder of Kim's eligible expenses up to a combined total of 100%

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