



To: All Employees enrolled in the University Group Benefit Program
From: Melissa Jutzi, Director – Human Resources (Total Compensation)
Date: January 5, 2016
Subject: **Employee Group Benefits: Coordination of benefits claims adjudication change**

This communication is relevant to you if you coordinate your University of Guelph extended health care or dental claims with another group benefits plan.

Coordination of benefits (COB) claims are those that have been partially paid through another group benefits plan (i.e., plan of your spouse or partner) that you then submit to the University of Guelph benefits carrier Sun Life for the balance of the claim.

What's changing?

- Currently, COB claims are calculated based on the submitted amount of the claim.
- Starting **February 1, 2016**, COB claims incurred after this date will be calculated based on the eligible amount of the expense, also known as the “reasonable and customary” amount. Insurance companies use reasonable and customary amounts as the basis for paying claims.
- The reasonable and customary amount for COB claims will be the same limit that is currently applied to claims you submit where the University of Guelph plan is the primary payer.

Why Sun Life is making the change?

- Reimbursing claims based on the reasonable and customary amounts protect plans and employees against excessive provider charges.
- Reimbursing COB claims where Sun Life is the second payer based on the reasonable and customary amounts ensures this administrative practice aligns with the current practice for primary claim reimbursement and reduces the impact on second-payer claims when a provider is charging more than the reasonable and customary limit (where limits exist).
- The change ensures that Sun Life’s process for adjudicating COB claims remains consistent with Canadian Life and Health Insurance Association (CLHIA) guidelines, which help insurers like Sun Life apply fair and consistent processes.

What does this mean to you?

- There will be no difference in the way Sun Life calculates claims that you submit first through your University of Guelph benefits plan with Sun Life.
- You may experience a difference in the amount you received for a claim you submit where Sun Life is the secondary payer.
- For most COB claims you shouldn’t see a difference in the amount you pay, unless a provider charges more than the reasonable and customary amount for an item or service. In that case, you are responsible for paying the difference. (This includes drug, dental and medical providers.)

Should you have any question please do not hesitate to contact your Service Associate:

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