

# Coordinate Coverage for Maximum Benefit

## Coordination of Benefits



### How It Works

If a member is covered by more than one group insurance plan, we will work with the other insurance carriers to pay up to 100 percent of the covered expenses. When benefits are coordinated, one plan pays benefits first (the “primary coverage”) and the other pays based on the remaining balance (the “secondary coverage”). This plan’s rules for coordination of benefits were drafted by the National Association of Insurance Commissioners and adopted by the Oregon Department of Consumer and Business Services.

Members notify PacificSource of their other carrier by completing the “Other Coverage” section of their enrollment application. If other coverage is later added or dropped, the member can contact our Customer Service Department.

### How Primary and Secondary Status Is Determined

If the member is covered as an employee on one plan and a dependent on another, the employer’s plan is primary.

When a child is covered under both parents’ policies and the parents are married or are living together, whether or not they have ever been married, the parent whose birthday falls first in the calendar year had the primary plan. If both parents have the same birthday, the parent who has been covered the longest has the primary plan.

- Example: If the mother’s birthday is March 1 and the father’s is October 8, the mother’s plan is primary for the children.

When a child is covered under both parents’ policies and the parents are divorced, separated, or not living together, whether or not they have ever been married:

- If a court order specifies that one parent is responsible for the child’s healthcare expenses, the mandated parent’s coverage is primary regardless of custody.
- If a court order specifies that both parents are responsible for the child’s healthcare expenses, the parent whose birthday falls first in a calendar year has the primary plan. If both parents have the same birthday, the parent who has been covered the longest has the primary plan.

- If a court order specifies that both parents have joint custody without specifying that one parent has responsibility for the child’s healthcare expenses, the parent whose birthday falls first in a calendar year has the primary plan. If both parents have the same birthday, the parent who has been covered the longest has the primary plan.
- If there is no court order, the order of benefits for the child are as follows:
  - o Primary coverage is that of the custodial parent
  - o Secondary coverage is that of the spouse of the custodial parent
  - o Third coverage is that of the natural parent without custody
  - o Fourth coverage is that of the spouse of the natural parent without custody

If a plan covers the member as an active employee or a dependent of an active employee, that plan is primary. Another plan covering the member as inactive, laid off, or retired is secondary.

If none of these rules apply, the coverage that has been in place longest is primary.

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## Coordination with Medicare for People Age 65 or Older

For groups with 20 or more employees, this plan is usually primary and Medicare is secondary. For groups with 19 or fewer employees, the plan pays secondary for anyone eligible for Medicare Parts A and B, even if they have not enrolled in Medicare. These rules only apply to active employees and their enrolled dependents, not to disabled people under 65 and ESRD patients.

## If PacificSource Is Primary and Other Carrier is Secondary

PacificSource will send the member an explanation of benefits, or EOB, when we pay a claim. If this plan is primary, the member will need to send the PacificSource EOB and the original bill to the other insurance company. In most cases that is all the other insurance carrier needs to process the secondary claim.

## If PacificSource Is Secondary and Other Carrier is Primary

Most insurance companies send their members an EOB when they pay a claim. If our member's other coverage is primary, the member should send PacificSource this EOB with the original bill and we will process the claim.

## If PacificSource Is Both Primary and Secondary

In these cases, PacificSource will cross-reference the two plans in our claims system. When a covered claim is received, PacificSource will process the claim under the primary plan and then automatically reprocess the claim under the secondary plan. The member does not need to resubmit the claim under secondary when it is cross-referenced in our system.

*So that members receive the maximum benefits available from all sources, PacificSource utilizes a coordination of benefits policy.*

## Need More Information?

For more information or to request a quote for your group, please contact your PacificSource Sales Representative.



**Bend:** 541.330.8896 • 888.877.7996  
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**Medford:** 541.858.0381 • 800.899.5866  
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