

TROJAN TODAY

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Secondary Insurance Plans

Are you waiting more than 60 days for reimbursement and then receiving NO payment?

By Roz Fulmer

In 2013, the National Association of Insurance Commissioners (NAIC) provided a forum for the creation of model Coordination of Benefits (COB) insurance laws and regulations. However, each state still has the freedom to choose whether or not to adopt the NAIC's recommendations; and so there is a huge lack of consistency in the COB laws which causes daily confusion and frustration — for you, the provider, as well as for patients and insurance carriers. Many dental plans are not regulated by state laws but fall under the Employee Retirement and Income Security Act (ERISA), which provides little, if any, guidance towards coordination of benefits.

Let's make sure your office is doing the following when dealing with Primary and Secondary insurance plans.

- **FULL FEES SHOULD ALWAYS BE BILLED TO BOTH PLANS**, even if you are an in-network provider.
- **NO WRITE-OFFS** should be posted until both plans have paid.
- **THE ALLOWED AMOUNT BETWEEN BOTH PLANS IS THE MAXIMUM** both plans will pay for the patient.
- **NO CREDIT SHOULD BE ON AN ACCOUNT** due to overpayment by a plan. The credit should reflect an overpayment from the patient's co-payment.

- **KNOW WHICH PLAN IS PRIMARY AND THE REASON IT IS PRIMARY**, understand the rules for determining the Order of Benefits.

Who is Primary?

If both husband and wife have plans, each is their own Primary. If there are children enrolled in both plans, the adult who has the earliest birthdate is Primary. If both adults have the same birthdate, the adult who has had their plan the longest is Primary.

It's more complicated for children whose parents are divorced or separated. If joint custody, the birthday rule applies. If not joint custody but the children are covered under more than one plan, the parent who has responsibility through a court order is Primary. (You may need to have a copy of that order to send to the insurance carrier at the time of an initial claim.) If there is no court order, the parent with whom the child lives is Primary.

Now that the Affordable Care Act (ACA) covers dependents up to the age of 26, if a dependent is employed or even married and still on a parental plan, the parental plan is Primary due to its being the longest active plan. If the spouse of the dependent also has benefits, that plan will be considered a Secondary benefit plan.



Coordination of Benefits What will be the reimbursement?

Here are a few scenarios that might help when calculating what the patient may owe using Primary and Secondary dental benefits:

1. If you are **fee for service – UCR**, the Primary plan must pay as if there were no other plan. The Secondary plan will then follow the COB rule and may pay a portion of the “allowed amount” if the plan states there is no COB rule or non-duplication of benefit rule. In other words, if Primary paid 50% on a \$1000 crown fee, now the Secondary may pay an additional amount as long as there is no “duplication” rule in the plan. No write-offs are necessary.
2. If you are **fee for service – UCR**, again the Primary plan must pay as if there were no other plan. The Secondary plan will then follow the COB rule, which states they will not duplicate what Primary already paid. For example, Primary paid \$500 of the \$1000 crown fee; and Secondary would have also paid up to \$500 but because Primary already paid that amount, Secondary will not give any additional reimbursement towards this procedure due to the “non-duplication” rule. Exception: If Primary paid only \$400 and Secondary would have paid up to \$500, then Secondary will send a reimbursement check in the amount of \$100 towards this procedure because the “allowed amount” was higher than the Primary reimbursement.
3. If you are **contracted with both plans**, the dentist is allowed to receive up to the higher negotiated fee, regardless of whether it is paid by the Primary or Secondary insurance plan. There will be times when Secondary plans have a higher contracted fee schedule than Primary so it is very important NOT TO TAKE THE WRITE-OFFS until both plans have paid.
4. If Primary is a **Fee for Service (UCR) and Secondary is an in-network plan**, the co-payment is calculated from the contracted fee (allowed amount). The allowed amount of the contracted fee is the maximum that can be collected when dealing within network of a plan even if the Secondary plan may not pay any reimbursement due to the COB rule.

It is very important to review the Explanation of Benefits (EOB) of both plans prior to posting write-offs. The only write-off will be calculated from the allowed amount of the contracted fees of the Secondary plan. Again, there should not be a credit balance towards this claim due to the write-offs. If there is, either the patient paid too much at the time of co-payment or too much write-off was taken at the time of receiving the EOB.



Remember, COB laws/rules vary from state to state, and many plans fall under the federal law of ERISA rather than state law. When dealing with two or more plans, the plans may have been purchased in different states so different state laws apply.

The lack of COB rule regularity might be what delays a claim because the insurance carriers fight over who is Primary and who is Secondary so they do not have to pay out more than the plan allows. Many offices are now processing only Primary insurance claims, giving a copy of the original claim to the patient to file when their copy of EOB is returned from the Primary plan.



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Quote-Worthy

“ I who am blind can give one hint to those who see: Use your eyes as if tomorrow you would be stricken blind. And the same method can be applied to the other senses. Hear the music of voices, the song of a bird, the mighty strains of an orchestra, as if you would be stricken deaf tomorrow. Touch each object as if tomorrow your tactile sense would fail. Smell the perfume of flowers, taste with relish each morsel, as if tomorrow you could never smell and taste again. Make the most of every sense; glory in the beauty which the world in all the facets of pleasure reveals to you through the several means of contact which Nature provides. But of all the senses, I am sure that sight is the most delightful. ”

—Helen Keller