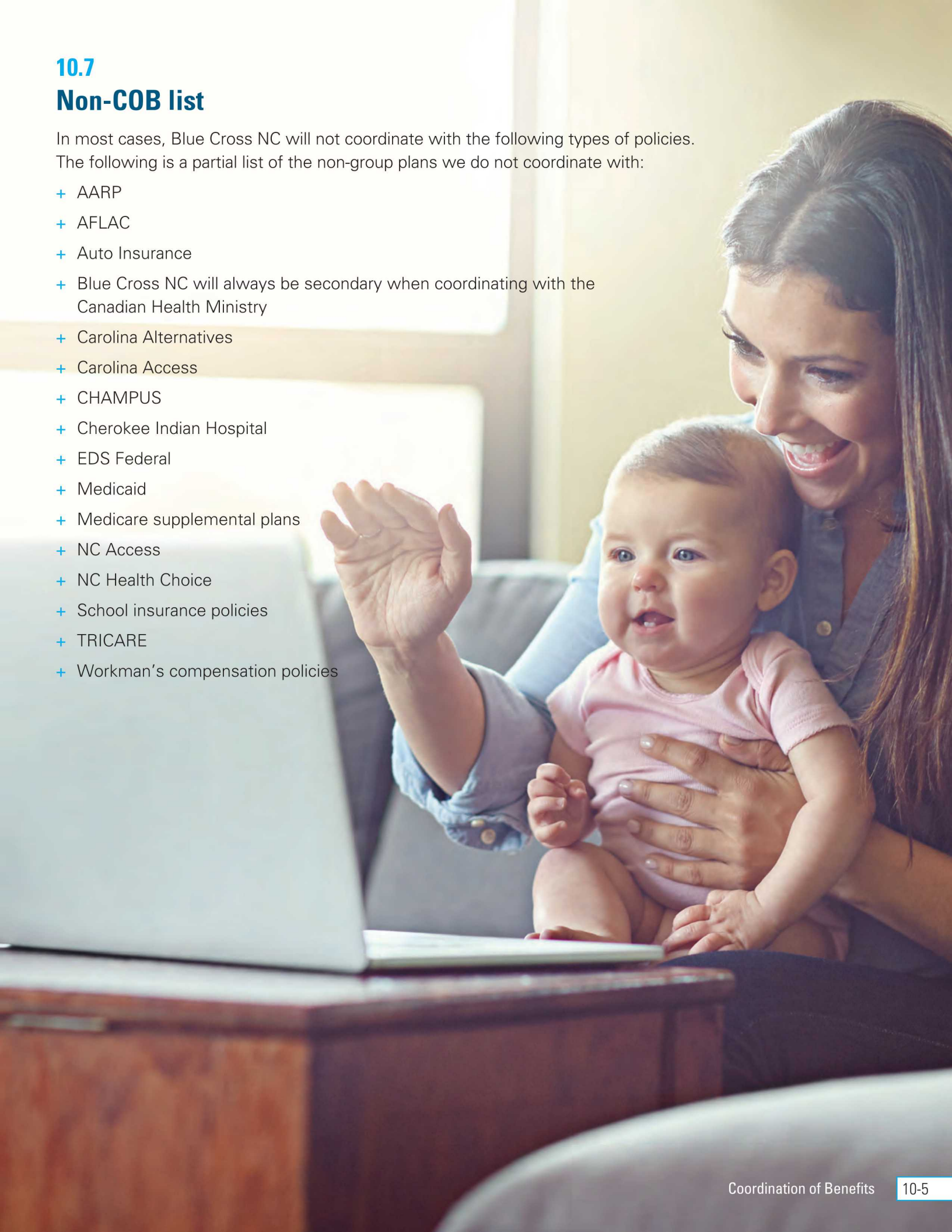


## 10.7

### Non-COB list

In most cases, Blue Cross NC will not coordinate with the following types of policies. The following is a partial list of the non-group plans we do not coordinate with:

- + AARP
- + AFLAC
- + Auto Insurance
- + Blue Cross NC will always be secondary when coordinating with the Canadian Health Ministry
- + Carolina Alternatives
- + Carolina Access
- + CHAMPUS
- + Cherokee Indian Hospital
- + EDS Federal
- + Medicaid
- + Medicare supplemental plans
- + NC Access
- + NC Health Choice
- + School insurance policies
- + TRICARE
- + Workman's compensation policies



## 10.8

### Order of benefit determination – commercial

#### COB for subscriber or spouse:

1. If one (1) of the two (2) insurance carriers does not have a COB clause in its policy that plan is primary. Blue Advantage® does not have a COB clause, meaning that Blue Advantage® will coordinate only with Medicare as the primary policy.
2. If both carriers have a COB clause in their policies, the carrier covering the patient as its subscriber or policyholder is primary, and the carrier covering the patient as a spouse of the policyholder is secondary.

#### COB for dependent children:

When the parents are not separated or divorced, determining primary / secondary carrier when a dependent child is the patient is done by applying the parent's birthday rule. The parent whose birthday comes first during the year is primary; the parent's birth month that comes first is primary. If both parents have the same birth month then the primary carrier is based on the birth whichever parent's birthday comes first during that month. If both parents have the same birthday, the parent's carrier whose coverage has been in effect longer is primary. If the other plan has a rule based upon the gender of the parent instead of the birthday rule, the rule in the other plan determines the order of primary or secondary carrier. When the parents are separated or divorced, the following order of benefit determination applies, unless a court decree indicates otherwise:

#### When one parent has custody:

1. The parent with custody is primary. The certificate of the parent with court ordered financial responsibility for medical, dental, or health care expenses is determined primary
2. The step-parent with custody is secondary
3. The parent without custody is third carrier to pay
4. The step-parent without custody is the fourth carrier to pay

#### When parents have joint custody:

1. Primary – parent with the earliest birthday (not year)
2. Secondary – parent with the latest birthday (not year)
3. Third – step-parent married to the parent with the earliest birthday (not year)
4. Fourth – step-parent married to the parent with the latest birthday (not year)

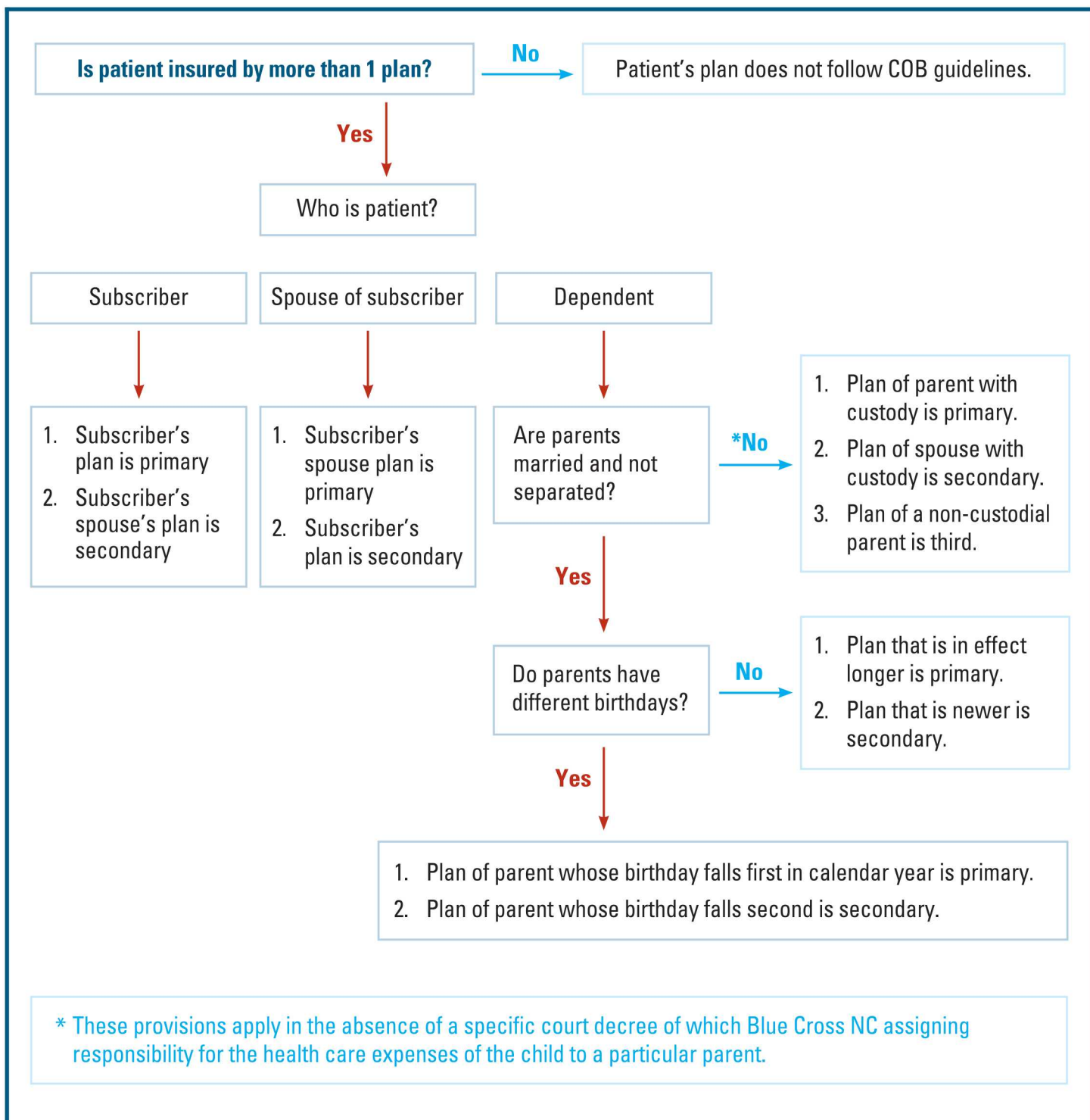
#### When custody is not indicated:

When custody has not been indicated, Blue Cross NC assumes custody is held by the parent with whom the child resides, and determines the order of benefits as follows:

1. Primary – parent where the child resides
2. Secondary – step-parent married to the parent where the child resides
3. Third – parent where the child does not reside
4. Fourth – step-parent married to the parent where the child does not reside COB for newborns:

Please wait until after the birth of the child to file a claim in order to determine which policy applies using the birthday rule.

# Order of benefits determination chart



## Coordination of group policies with Medicare

In certain instances, as defined by the Social Security Act, health plans are responsible for making primary payment in connection with medical services provided to specified Medicare beneficiaries with dual health care coverage. The rules are complicated and vary depending on numerous factors. Contact Medicare directly for specific questions.

We can provide the following general information for you. In the event of any conflict with Medicare's rules, Medicare's rules will apply:

Medicare pays secondary to Blue Cross NC for the following circumstances:

- + Blue Cross NC is primary for individuals with End-Stage Renal Disease (ESRD) during the first thirty (30) months of Medicare eligibility.
- + For individuals sixty-five (65) and over, that are covered by an actively working employee policy that employs twenty (20) or more employees, Blue Cross NC is primary if the individual or the individual's spouse (of any age) has current employment status.
- + For disabled individuals under sixty-five (65) that are covered by an actively working employee that employs one hundred (100) or more employees, Blue Cross NC is primary if the individual or a member of the individual's family has current employment status.
- + For individuals covered by an active employee policy, Medicare and a Retiree policy, the active policy pays primary over Medicare and the retiree policy regardless of group size.
- + For individual policies, once Medicare is effective, Medicare becomes primary.
- + Blue Cross NC will always be secondary when coordinating with the Canadian Health Ministry.

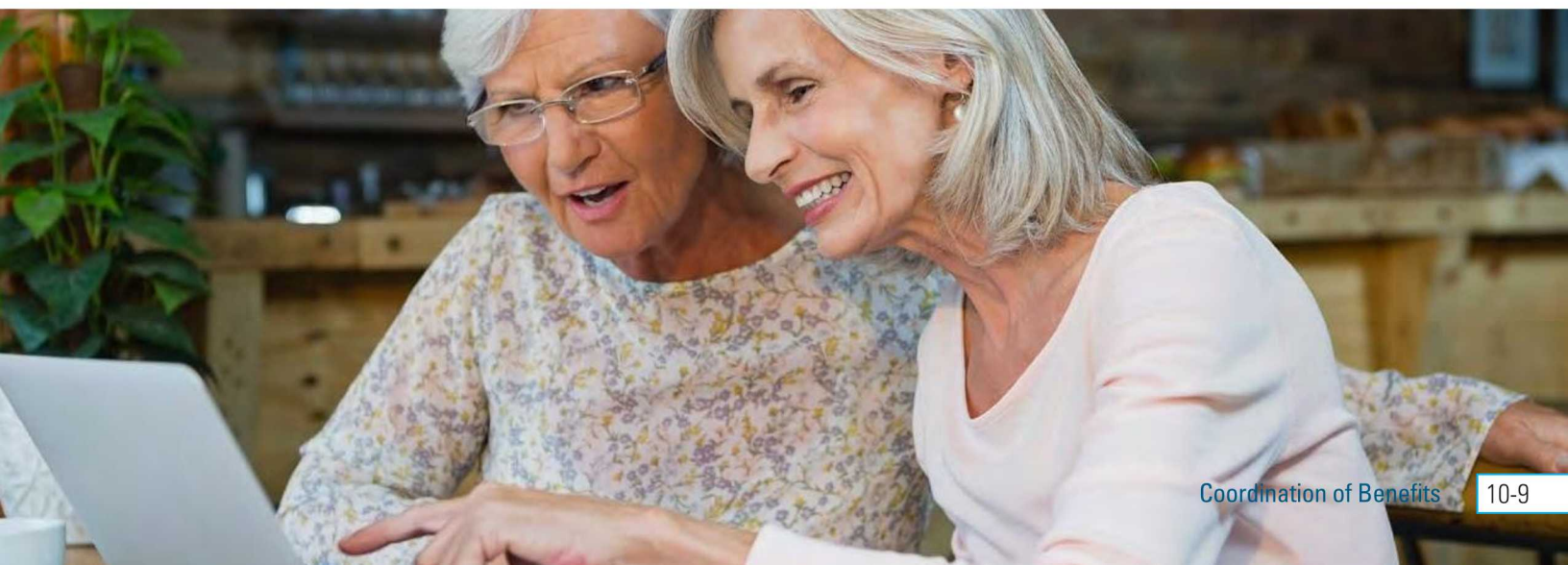
Medicare Beneficiary is Over 65	Medicare Primary	Group Primary
Actively working and the employer has less than 20 employees	<b>X</b>	
Actively working and the employer has 20 or more employees		<b>X</b>
Retired and has group coverage through a spouse who is actively working for an employer with less than 20 employees	<b>X</b>	
Retired and has group coverage through a spouse who is actively working for an employer with 20 or more employees		<b>X</b>
Retired and has group coverage through a spouse who is retired	<b>X</b>	
Retired employee	<b>X</b>	
Has COBRA coverage	<b>X</b>	

*continued on following page*

Medicare Beneficiary is Under 65 and Disabled	Medicare Primary	Group Primary
Actively working and the employer has less than 100 employees	<b>X</b>	
Actively working and the employer has 100 or more employees		<b>X</b>
Not actively employed	<b>X</b>	
Not actively employed and has group coverage through a spouse who is actively working for an employer with less than 100 employees		<b>X</b>
Has COBRA coverage	<b>X</b>	

ESRD Entitlement – Beneficiary is receiving dialysis at a treatment center	Medicare Primary	Group Primary
<p>Beneficiary has group coverage, including a retirement plan or COBRA coverage. First 30 months of Medicare entitlement.</p> <p>Entitlement starts 3 months after the first date of dialysis unless beneficiary has received self-dialysis training.</p> <p><u>Example:</u> A person starts a regular course of dialysis on July 15th they would be entitled to Medicare on October 1st.</p>		<b>X</b>
Beyond 30 months of Medicare entitlement.	<b>X</b>	
Medicare eligibility due to age or disability occurred prior to ESRD eligibility and Medicare was appropriately the primary payor following the age and disability rules above.	<b>X</b>	

*continued on following page*



ESRD Entitlement – Beneficiary is receiving self-dialysis	Medicare Primary	Group Primary
Beneficiary has group coverage, including a retirement plan or COBRA coverage. First 30 months of Medicare entitlement. Entitlement starts with first date of month in which dialysis begins.		<b>X</b>
Beyond the first 30 months of Medicare entitlement.	<b>X</b>	
Medicare eligibility due to age or disability occurred prior to ESRD eligibility and Medicare was appropriately the primary payor following the age and disability rules above.	<b>X</b>	

**Note:** For multiple employer arrangements (including labor union plans) if any employer within the group has one hundred (100) or more employees the Plan is considered a large group health plan for purposes of applying the disability rules set out above, and Medicare due to disability is secondary to the group coverage for employees of all employers within that group.

**Caution:** Fluctuations in the group size may occur for small group and major accounts. Be aware that these fluctuations can affect the Medicare primary status.

## 10.10 Hold harmless provision

The provider contracts contain language regarding when the member is to be held harmless from any additional payment other than amounts stated in the member’s benefit booklet and the EOP / NOP. A member is considered a member whether they are a primary, secondary or tertiary subscriber of a Blue Cross and/or Blue Shield insurance policy. Your contract applies whether the member is primary, secondary or tertiary. Participating providers are expected to file all member claims regardless of order of benefits.

Refer to your contract to determine the hold harmless provisions that apply to your practice. If you have questions regarding your hold harmless provision, please contact Provider Network (see **Section 2.13, Blue Cross NC Provider Network**) for more information.

