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Coordination of benefits

When you're covered by more than one insurance plan



Money working for people

Life, health, retirement



When several family members are employed or are enrolled in post-secondary studies, they may have access to healthcare or dental coverage offered by more than one group insurance plan.

If this is the case for you and your family members, the various plans under which you are covered will *coordinate your benefits*. This means that you could be reimbursed for 100% of your expenses.

This coordination of benefits is subject to the calculation rules established by the Canadian Life and Health Insurance Association, which most Canadian life and health insurance companies follow.

This pamphlet explains how the coordination of benefits works and how to submit your claims. It also helps you to better understand how this coordination of benefits affects the amount of your reimbursements.



In what order should you submit your claims?

SITUATION 1:

You and your spouse are both covered under your respective employers' plans.

Under the rules for coordination of benefits:

- 1** You must first submit your claims to your own group insurance plan.
- 2** You can then submit the unpaid portion to your spouse's plan.
- 3** If you have the same status under more than one group plan (e.g., if you have two full-time or part-time jobs), the first payor is the plan under which you have been covered the longest.

EXAMPLE:

- You have two part-time jobs and are enrolled in both employers' group insurance plans. You are also covered under your spouse's group plan.
- You have been enrolled in employer **A**'s plan since January 6, 1998.
- You have been enrolled in employer **B**'s plan since March 15, 2007.
- You are covered under your spouse's group plan.

You must first submit your claims to employer **A**'s plan, then the unpaid portion of your claims to employer **B**'s plan. You can then submit the rest to your spouse's plan.

SITUATION 2:

You live with your spouse and you have dependent children OR you and your former spouse are separated and share joint custody of your children.

Here is the procedure to follow:

- The parent whose birthday comes first in the calendar year must submit claims for their children to their own plan first. The birth year is not taken into consideration.

EXAMPLE:

Father's birthday: April 18 Mother's birthday: December 10
Claims must be submitted to the father's plan first.

- If both parents were born on the same day, the alphabetical order of the parents' first names determines which plan the claim is submitted to first.

EXAMPLE:

Mother's first name: Frances Father's first name: Lawrence
Claims must be submitted to the mother's plan first.

SITUATION 3:

You and your spouse are separated and you have sole custody of your children.

If your children are covered under all of the following plans, here is the order in which your claims must be submitted under the appropriate employer plan:

- 1** Your plan
- 2** Your current spouse's plan
- 3** Your former spouse's plan
- 4** The plan of your former spouse's current spouse

Depending on the situation, four group plans may reimburse benefits, up to 100% of the expenses incurred.

SITUATION 4:

Your dependent children are enrolled in post-secondary studies and are covered under an insurance plan offered through their university or college.

Your children must submit their claims to their own plan first.

The only **exception** to this rule applies to **drug** claims in **Quebec**, which **must be submitted to your employer's plan first** before being submitted to the student plan.

EXAMPLE:

- Your children are covered under the plans offered through their university and through your employer. They want to claim their expenses.

Here is the order in which they must submit their claims, depending on the type of expenses incurred and your province of residence.

Healthcare and dental expenses (except for drug expenses for Quebec residents):

- 1 Their university's plan
- 2 Your employer's plan

Drug expenses (for Quebec residents):

- 1 Your employer's plan
- 2 Their university's plan

SITUATION 5:

Your children have a part-time job and are enrolled in their employer's plan.

Your children must submit their claims to their own plan first before sending them to your employer's plan.

How are your benefits calculated?

Based on the order established by the rules for coordination of benefits, the first plan calculates your reimbursement based on the parameters that apply to your coverage (deductible, reimbursement percentage, maximum, etc.) up to the maximum amount for which you are eligible.

You can then submit the amounts that were not reimbursed to your second plan. If your claim is eligible, the second plan will reimburse you for the **lesser** of the following amounts:

- The amount it would have paid if it had been the first payor, OR
- 100% of eligible expenses under the term of your plan, less the amount reimbursed by the first payor.

These reimbursement terms also apply to the 3rd or 4th plan, if applicable. However, the total reimbursement cannot exceed the total expenses incurred.

Any amount not reimbursed may be eligible for medical expense tax credits.

Here are two examples of \$150 in expenses that you incurred:

EXAMPLE 1:

\$150 in expenses eligible under both plans AND subject to a \$25 deductible under the first plan only

Your plans	Eligible expenses	Deductible	Reimbursement %	Calculation	Your reimbursements
1st plan	\$150	\$25	80%	$(\$150 - \$25) \times 80\%$	\$100
2nd plan	\$150	\$0	80%	$\$150 - \100	\$50
Your total reimbursement = 100% of expenses incurred					\$150

EXAMPLE 2:

Expense not eligible under the first plan AND \$150 in expenses eligible under the second plan, but subject to a \$25 deductible

Your plans	Eligible expenses	Deductible	Reimbursement %	Calculation	Your reimbursements
1st plan	\$0	\$0	80%	$150\% \times \$0$	\$0
2nd plan	\$150	\$25	80%	$(\$150 - \$25) \times 80\%$	\$100
Your total reimbursement					\$100

Tips for speedier claim payments:

- Inform your pharmacist and insurers of the **contract** and **certificate numbers** for the plans in which you and your dependents are enrolled.
- Always keep a copy of the claims and receipts you submit to your insurers.
- Send the second payor a **copy of your original claim**, along with the **explanation of benefits** paid by the first payor.



If you have any questions about your insurance coverage, please refer to your group plan benefits booklet or contact your Plan Administrator.

Visit the secure Plan Member website at www.desjardinsgroupinsurance.com

The **find out** more about series
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