

A p p e n d i x

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The premise behind coordinating benefits on a claim where the Fund is the secondary carrier is for the Fund to determine its liability when paying as both primary and secondary, and then paying the lesser amount. Please note that for institutional claims if the Fund pays its primary benefit, it should apply the BCBS discount. If the Fund pays as the secondary carrier, the BCBS discount cannot be applied.

For Funds utilizing standard COB processing methodology, the equation listed below should be used to determine secondary carrier liability. For Funds that utilize a non-duplication provision, or other non-standard COB processing procedures, COB processing discussions should be held with the implementation team as a part of the implementation process.

$$\text{Fund secondary liability} = \text{Total charge} - \text{Other carrier payable amount} - \text{Other carrier discount}$$

Following are two (2) COB balancing examples. The calculations from Example #1 determine that the Fund should pay as the primary carrier. The calculations from Example #2 determine that the Fund should pay as the secondary carrier.

Example #1

	Fund Primary Liability	Other Carrier “Primary” Liability
Charge	\$300.00	\$300.00
Discount %	27%	--
Less Discount	\$81.00	\$60.00
Less Deductible	\$100.00	\$240.00
Less 20% Coinsurance	\$23.80	--
Primary Liability	\$95.20	\$0.00

- Fund primary liability = \$95.20
- Fund secondary liability = \$300.00 - \$0.00 - \$60.00 = \$240.00

Claim should be paid as primary using first column calculation.

Example #2

	Fund Primary Liability	Other Carrier "Primary" Liability
Charge	\$300.00	\$300.00
Discount %	27%	--
Less Discount	\$81.00	\$60.00
Less Deductible	\$100.00	\$240.00
Less 20% Coinsurance	\$23.80	\$48.00
Primary Liability	\$95.20	\$192.00

- Fund primary liability = \$95.20
- Fund secondary liability = \$300.00 - \$192.00 - \$60.00 = \$48.00

Claim should be paid as secondary, populating the Disposition File as follows:

Charge: \$300.00
 Less Discount: \$0.00
 Less Deductible: \$0.00
 Less 20% Coin.: \$0.00
 Less OI Savings: \$252.00

Payable by Fund: \$48.00