

Figure: 28 TAC §3.3510(e)

## FORM COB NOTICE TX

### What to know about coordination of benefits (COB)

Notice: This document is only a summary and does not cover every circumstance. Your benefits will be based on the official terms in your insurance contract. If you have questions, call your health plan at [company phone #] or the Texas Department of Insurance (TDI) Help Line at 800-252-3439.

It's common for families to have more than one health care plan. For example, this can happen if two parents both work and have family coverage through both employers.

When you have more than one health plan, state law allows your plan to follow a rule—called "coordination of benefits"—to decide how much each plan will pay when you have a claim. The goal is to make sure the two plans don't pay more than the total cost of the health care.

### How do I know which plan will pay?

We will ask you what other health plans you and your family have. This will help us know if we are the "primary" or "secondary" payer. The primary plan always pays first when you have a claim. Any plan that doesn't have Texas COB rules will be primary, unless both plans say that the plan with Texas COB rules is primary.

This health plan will be the primary plan if:

- The claim is for your own health care expenses. There is an exception if you have Medicare and you and your spouse are retired.
- The claim is for your spouse who has Medicare and you aren't both retired.
- The claim is for your child who is covered by this plan and any of these are true:
  - You're married and your birthday is earlier in the year than your spouse's.
  - You're living with another person (whether or not you've ever been married to that person) and your birthday is earlier than that other person's birthday. This is called the "birthday rule."
  - You're separated or divorced and you told us about a court order that makes you responsible for your child's health care expenses.
  - You don't have a court order, but you have custody of your child.

We will also be primary when state or federal law require us to be. We will be secondary when the rules don't require us to be primary.

### How do we pay if we're the primary plan?

When we're the primary plan, we'll pay your health care, just as if you didn't have another plan.

## How do we pay if we're the secondary plan?

When we're the secondary plan, we don't pay until the primary plan has paid. We will then pay some or all of the allowable expenses that are left. An "allowable expense" is a health care expense that's covered by your health plan.

### Cost differences

If there's a cost difference between what the plans can pay, we will usually base our payment on the higher amount. If one plan has a contract with the doctor or facility and the other doesn't, our combined payments won't be more than the contracted amount. HMOs and PPOs usually have contracts with the providers in their networks.

We might lower our payment to be sure that the amount both plans pay toward your claim combine to equal the total cost. We will credit you any amount we would have paid if you didn't have another plan toward our plan's deductible.

We won't pay any health care expenses that your primary plan didn't cover because you didn't follow its rules and procedures. For example, say your plan paid a lower amount because you didn't get a prior authorization for your health care like the plan requires. We won't pay the amount of the reduction because it isn't an allowable expense.