

Policy 1212

NHP/NHIC ~ Coordination of Benefits (COB) Savings Policy

Purpose: This policy defines the process of Coordination of Benefits (COB) Savings for Network Health Plan/Network Health Insurance Corporation (NHP/NHIC) as required by Wis. Adm. Code 3.40 (12).

Policy and Procedure: When NHP/NHIC is the secondary insurance carrier for a plan member, NHP/NHIC coordinates benefits with the primary carrier as claims are received. The difference between what NHP/NHIC paid as secondary carrier verses what we would have paid if we were the primary carrier goes into a savings bank for the NHP/NHIC member. This savings continues to accumulate as claims are received for the member per calendar year.

The savings bank is only used when NHP/NHIC receives a claim for payment that the other insurer (OI) allowed, which leaves the NHP/NHIC member with an out of pocket expense. NHP/NHIC will then reduce the savings bank by the amount of the member's out of pocket expense for that claim up to the amount accumulated to date in the member's savings bank.

Savings can only be applied to reduce the member's out of pocket expense for covered services. Savings can not be used to pay for services not covered by NHP/NHIC; unless the expense is covered by the primary carrier.

Savings can not be transferred to other family members. COB savings is always calculated on a calendar year, and starts over each January 1st; regardless of how the members benefit plan accumulates benefits.

This policy is not a guarantee of coverage or payment. The claim(s) will be denied if it does not meet with all the terms and provisions of the members Certificate of Coverage. Actual benefits will be determined when the claim(s) or bill(s) are submitted to NHP/NHIC. NHP/NHIC reserves the right to periodically review and update all claims policies and procedures.

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