C.O.B.

Coordination of Benefits

A way to help control your Blue Cross and Blue Shield rates

Blue Cross
Blue Shield
of Florida

What Is C.O.B.?

C.O.B. stands for "coordination of benefits," a common practice when a Blue Cross and Blue Shield subscriber has more than one health insurance policy. For example, you may be enrolled in Blue Cross and Blue Shield family coverage where you work. Your husband or wife may also be enrolled in another family health coverage program at work.

In the event of "double coverage," Blue Cross and Blue Shield Plans coordinate their benefit payments with those of the other carrier. This assures that you receive all the benefits to which you're entitled — up to 100% of the cost of the covered services or supplies you received — but that no one makes a profit from being ill.

Why Is C.O.B. Necessary?

If subscribers or their employers pay for more than one health insurance policy, why not collect the maximum from both policies? After all, when you're sick, those extra expenses add up quickly!

In the first place, your Blue Cross and Blue Shield coverage is designed to do only one thing — to cover the cost of the hospital and medical care you need to get well. Not to provide extra money when you're out of work. And not to cover the cost of a baby-sitter when your spouse is in the hospital.

When people collect more than the total amount of their health care expenses, they are making a personal profit from their health care coverage —an expense that's passed on to subscribers and others in the form of higher health insurance premiums. Blue Cross and Blue Shield Plans exist solely to help their subscribers prepay the cost of the health care they need — not to enable patients to make money at the expense of others.

Why C.O.B.?

Most people would never think of using their health care coverage for "profit." But some would. And others might inadvertently collect benefits for the same illness from more than one health care plan. This is why Blue Cross and Blue Shield Plans, along with most commercial insurers, coordinate benefits — to protect their subscribers from paying more than is necessary for their health care coverage.

If you receive payment twice for the same service, you gain, but someone has to lose. In the case of group subscribers, often it becomes everyone else in that group. Your premiums are based on the total cost of the care used by all of the members of your group. Everyone must pay more for their health care coverage to offset the profits made by a few through double coverage.

Rates for non-group Blue Cross and Blue Shield subscribers work the same way. Premiums are based on the total cost of the care provided all subscribers in each category of enrollment.

Is C.O.B. a Solution?

Coordination of benefits between Blue Cross and Blue Shield Plans and other health benefits plans removes the possibility of "profit-by-illness." This C.O.B. or non-duplication clause is written into your Blue Cross and Blue Shield contract.

According to the contract, duplicate coverage includes other coverage which provides payment for medical or hospital services, whether provided by Blue Cross and Blue Shield Plans or other carriers. C.O.B. provisions apply to any coverage that is held by reason of law, employment, or sponsorship or membership in any organization, association, union or student body, whether or not the coverage is used.

How Does C.O.B. Work?

Blue Cross and Blue Shield Plans follow the primary-secondary payment rule. One health plan is determined to be the "primary carrier" — with the first responsibility to provide benefit payment. The health plan determined to be "secondary carrier" provides benefits to supplement those of the primary carrier if there is any unpaid balance.

First, the primary carrier pays up to the full amount of the benefits provided by its contract. The balance of the bills for covered services is paid by the secondary carrier up to the full amount of its contracted liability.

When the other health coverage plan has no C.O.B. provision in its contract, it is considered to be the primary carrier.

If both plans have C.O.B. provisions, the one covering the patient as a participant is the primary carrier and the one covering the patient as a dependent is the secondary carrier.

When a child is the patient, the carrier insuring the father under family coverage is primary.

For all other cases, the carrier which has insured the patient the longest is primary.

Blue Cross and Blue Shield of Florida, Inc.

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