



Know Your Benefits

Medicare Guide to Coordination of Benefits

If you have Medicare and other health insurance, such as group health plan insurance, retiree coverage or Medicaid, questions can arise over who pays first on your claims. Coordination of benefits (COB) rules decide who pays first. One plan is considered the primary payer that covers most of your expenses, while the secondary plan covers any remaining allowable expenses not covered by the primary plan.

The COB permits health plans that provide health or prescription drug coverage to individuals receiving Medicare to determine their payment responsibilities. This ensures your claims are paid correctly by identifying Medicare-eligible benefits, coordinating payment and making sure the primary payer pays first.

How Does Medicare Work With Other Insurance?

There are many important things to remember about how other insurance works with Medicare-covered items and services, including the following:

- The primary payer pays first and up to its coverage limits.
- The secondary payer only pays if there are costs the primary payer doesn't cover.
- The secondary payer, which in some situations may be Medicare, might not pay all of the uncovered costs from the primary payer.

- If the group health plan or retiree health coverage is the secondary payer, you may need to enroll in Medicare Part B before that insurance will pay.

If your other health insurance is the primary provider and fails to promptly pay your claim, usually within 120 days, your doctor or service provider may bill Medicare. Medicare can make a conditional payment for your claim, recovering any payments your primary payer should have paid at a later date.

What's a Conditional Payment?

A conditional payment is a payment Medicare makes for services another payer may be responsible for. Medicare makes this payment, so you won't have to pay the claim. The payment is conditional because it must be repaid to Medicare if you receive a settlement, judgment, award or other payment later.

Who Pays First?

When you have Medicare and other insurance, there are rules for whether Medicare or your other insurance is the primary payer for Medicare-covered items and services.

In general, Medicare is the primary payer for Medicare-covered items and services in the following circumstances:

- An individual is covered only by Medicare and Medicaid.
- A Medicare-covered individual refuses group health coverage.
- Medical services or supplies are not covered under a group health plan but are covered under Medicare.
- A Medicare-covered individual is covered by a group health plan but has exhausted their coverage under the group health plan.



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- A Medicare-covered individual is 65 or older and covered by a group health plan (because the individual or their spouse is still working) offered by an employer with fewer than 20 employees.
- A Medicare-covered individual is 65 or older and covered by an employer group health plan after retirement.
- A Medicare-covered individual is 65 or older (or disabled) and covered by Medicare and the Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage.
- A Medicare-covered individual is disabled and covered by a large group health plan offered by an employer with fewer than 100 employees.
- A Medicare-covered individual has end-stage renal disease and is enrolled in a group health plan or COBRA (after 30 months of eligibility or entitlement to Medicare).
- A Medicare-covered individual has only Medicare and TRICARE coverage unless the individual is on active duty and receives items or services from a military hospital, clinic or other federal health care provider.

For a complete list of situations where Medicare is the primary payer, visit [Medicare.gov](https://www.medicare.gov) or review the Centers for Medicare and Medicaid Services' guide [Medicare & Other Health Benefits: Your Guide to Who Pays First](#).

How Will Medicare Know I Have Other Coverage?

COB allows Medicare eligibility information to be shared with other payers and sends Medicare-paid claims to secondary payers for payment. The Benefits Coordination and Recovery Center (BCRC) acts on Medicare's behalf to do the following:

- Collect and manage information on other types of coverage an individual with Medicare may have.
- Determine whether an individual's other coverage pays before or after Medicare.

- Pursue repayment when Medicare makes a conditional payment.

Medicare will not automatically know if you have other health insurance, but insurers must notify Medicare when they're responsible for paying first on your medical claims. In certain situations, your health care provider, employer or insurer may ask you about your current coverage so they can report that information to Medicare. You can report your coverage information to the BCRC at 1-855-798-2627.

What Happens If My Coverage Changes?

Insurers must report coverage changes to Medicare. However, it can take time before these changes appear in Medicare's records. Let your health care provider know if your insurance or coverage changes. In addition, contact your health plan to ensure that they report any changes to Medicare so your claims are paid correctly. If your coverage changes, contact the BCRC.

COB allows you to make the best use of your health care coverage. If you have more questions about COB under Medicare, please contact HR for clarification.