

Dermatology Coding Alert

Reader Question: Pay Attention to Month, Not Year, With Birthday Rule

Question: I just received a call from a patient's parent claiming that we didn't follow the birthday rule when we billed the mother's insurance. The mother's birthday is 09/30/1965 and the father's birthday is 11/30/1958. The mother says that since the father is older, we should have billed his insurance rather than hers. What is the birthday rule and whose insurance should we have billed?

Iowa Subscriber

Answer: You'll only follow the "birthday rule" in determining which parent's insurance is primary when the child is covered under the insurance plans for both parents. You'll find this rule typically applies to children whose parents are not separated or divorced, or dependent children of parents with joint custody.

How it works: The birthday rule says that for a dependent child of parents who are not legally separated or divorced, the insurance of the parent whose birthday falls earlier in the year is the primary payer.

The key: "Birthday" in the birthday rule refers to the month and day in a calendar year, not the year in which the parent was born. It doesn't matter which parent is older.

So based on this rule, in your case, the mother's insurance is primary and you were correct to bill her insurance if the payer you are billing follows the birthday rule.

Caveat: Some payers use contracts that follow the birthday rule and others do not. You must know what your contracts with each payer state in order to ensure you are billing the correct payer as primary.