Psychiatry Coding & Reimbursement Alert

Reader Question: Birthday Rule Follows Month to Determine Primary Payer

Question: We recently made a claim for services provided to a minor patient by billing his mother's insurance. We received a call from the mother stating that we made a wrong claim as per the "birthday rule." The mother's birthday is 05/17/1971, and the father's birthday is 06/09/1965. The mother is of the opinion that we should have billed the father's insurance as he is older to her. What is the "birthday rule" and whose insurance should we have billed?

Wisconsin 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 the insurance of the parent whose birthday comes earlier in the year becomes the primary insurer, and the spouse's insurance becomes the secondary insurer.

Based on this rule, in your case, the mother's insurance is primary as her birthday is in May while her husband's birthday is in June. So you were correct to bill her insurance if the payer you are billing follows the birthday rule.

Caveat: The birthday rule is not a written rule but is more of an informal rule that payers agree upon as it eliminates the issue of getting paid by the insurers of both the parents that have listed the child as a dependent. 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.