

Pain Management Coding Alert

Reader Question: Keep Things in Order for Multi-Insurer Claims Reimbursement

Question: What is the best way to ensure proper billing when a patient is covered by two insurances?

Illinois Subscriber

Answer: To correctly bill a claim when a patient has both primary and secondary insurance, you need to understand how coordination of benefits (COB) works.

COB is a common clause in most health insurance policies that indicates how the payer will reimburse for services when more than one insurance plan applies. Although COB rules can be governed by state law, and most payers have COB rules in their contracts, many follow model rules developed by the National Association of Insurance Commissioners (NAIC). Those rules state that the plan that pays first is known as the primary plan and the one that pays second is known as the secondary plan. The primary plan must pay benefits as if the secondary insurer did not exist. The secondary plan can only take into account what another plan paid when it is secondary to that plan.

Submit the claim to the primary insurer and receive payment accompanied by an explanation of benefits (EOB) before submitting the claim to the secondary insurer. Attach a copy of the primary insurer's EOB to the secondary payer's claim form. When the secondary insurer acts on the claim, review its EOB to verify it was paid correctly.

Critical: To ensure your practice collects all the reimbursement it deserves when a patient has primary and secondary insurers it is essential that you obtain the correct health insurance information from the patient at the time of service or before.