Coordination of Benefits

MDwise Marketplace will coordinate benefits when an enrollee has coverage for health services under more than one “Plan,” as defined below.

Definitions

A. "Allowable Expense" means a necessary, reasonable and customary item of expense for health care when the item of expense is covered at least in part by one or more Plans covering the individual for whom the claim is made. The difference between the cost of a private hospital room and the cost of a semi-private hospital room is not considered an Allowable Expense unless the patient’s stay in a private hospital room is Medically Necessary. When a Plan provides benefits in the form of services, the reasonable cash value of each service rendered will be considered both an Allowable Expense and a benefit paid. When benefits are reduced under a Primary Plan because a covered individual does not comply with the plan provisions, the amount of the reduction will not be considered an Allowable Expense. Examples of such provisions are those related to second surgical opinions, precertification of admissions or services, and preferred provider arrangements.

B. "Claim Determination Period" means a calendar year. However, it does not include any part of a year during which an individual does not have Coverage under the MDwise Marketplace Plan, or any part of a year before the date this coordination of benefits provision or a similar provision takes effect.

C. "Plan" means the MDwise Marketplace Plan and any of the following arrangements that provide benefits or services for, or because of, medical or dental care or treatment:
   1. Employer insurance or Employer-type coverage, whether insured or uninsured. This includes prepayment, Employer practice or individual practice coverage. It also includes coverage other than school accident-type coverage.
   2. Coverage under a governmental plan, or coverage required or provided by law. This does not include a state plan under Medicaid (Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act, as amended from time to time).
   3. Each arrangement described in (1) or (2) is a separate plan. Also, if an arrangement has two parts and coordination of benefits rules apply only to one of the two, each of the parts is a separate plan.

D. "Primary" or "Primary Plan" means the Plan that provides benefits for an individual before another Plan that covers the same individual. If the MDwise Marketplace Plan is Primary to another Plan, the MDwise Marketplace Plan’s benefits will be determined before those of the other Plan without considering the other Plan’s benefits.

E. "Secondary" or "Secondary Plan" means the Plan that provides benefits for an individual after another Plan that covers the same individual. If the MDwise Marketplace Plan is Secondary to another Plan, the MDwise Marketplace Plan will be determined after those of the other Plan and may be reduced as a result of benefits provided by the other Plan.

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Order of Benefit Rules

If there is a basis for benefits under the member’s MDwise Marketplace Plan and another Plan, the MDwise Marketplace Plan is the Secondary Plan unless (1) the other Plan has rules coordinating its benefits with those set for by MDwise Marketplace Plan in this document, and (2) the rules of this MDwise Marketplace Plan and the other Plan requires the MDwise Marketplace Plan to be the Primary Plan.

MDwise Marketplace will apply the following rules in the order they appear to determine whether the MDwise Marketplace health plan is primary or secondary to the other health plan based on the below:

1. **Non-dependent or dependent** – The Plan that covers the individual as an active employee or inactive employee (i.e., laid-off or retired) rather than as a dependent is the Primary Plan except in the following situation. The Plan that covers the individual as a dependent is Primary to the Plan that covers the individual as an employee if the individual is also a Medicare beneficiary, and, as a result of the rule established by Title XVIII of the Social Security Act and implementing regulations, Medicare is Secondary to the Plan covering the individual as a dependent and Primary to the Plan covering the individual as an employee.

2. **Dependent Child or Parents not Separated or Divorced** – If two Plans cover the same child as a dependent of his parents, the Plan of the parent whose birthday falls earlier in a calendar year will be Primary. If both parents have the same birthday, then the Plan that has covered one parent longer will be the Primary Plan. However, if the other Plan has a rule based on gender instead of this birthday rule and, as a result, the Plans do not agree on the order of benefits, then the rule in the other Plan will determine the order of benefits.

3. **Dependent Child or Separated or Divorced** – If two or more Plans cover the same child as a dependent of divorced or separated parents the following rules apply unless a qualified medical child support order (“QMCSO”), as defined in ERISA, specifies otherwise:
   a. The Plan of the parent with custody of the Child is Primary.
   b. The Plan of the spouse of the parent with custody of the child is the next Plan to be Primary.
   c. The Plan of the parent without custody of the child is the last Plan to be Primary.

   If a QMCSO states that a parent is responsible for the health care expense of a child that parent’s Plan is Primary as long as the administrator of the Plan has actual knowledge of the QMCSO. The plan of the other parent is the Secondary Plan. Until the plan administrator has actual knowledge of the QMCSO, then the rules stated in (a), (b), and (c) above apply for any Claim Determination Period or Plan Year during which benefits are paid or provided.

4. **Joint Custody** – If a court order states that a child’s parents have joint custody of the child but does not specify that one parent is responsible for the health care expenses of the child, the order of benefit rules in Paragraph (2), Dependent Child or Parents not Separated or Divorced will apply.

5. **Active or Inactive** – A Plan that covers an individual as an active employee is Primary to a Plan that covers the individual as an inactive employee (i.e., laid-off or retired). This rule will be ignored if the other Plan does not have this rule and, as a result, the Plans do not agree on the order of benefits.

6. **Dependent of Active or Inactive Employee** – A Plan that covers an individual as a dependent of an active employee is Primary to a Plan that covers an individual as a dependent of an inactive employee (i.e., laid-off or retired). This rule will be ignored if the other Plan does not have this rule and, as a result, the Plans do not agree on the order of benefits.
7. **Continuation Coverage** – If an individual has Continuation Coverage under the MDwise Marketplace Plan and also has coverage under another Plan as an employee or dependent, the other Plan is primary. This rule will be ignored if the other Plan does not have this rule and, as a result, the Plans do not agree on the order of benefits.

8. **Longer or Shorter Length of Coverage** – If none of the above rules determines the order of benefits, the benefits of the Plan that has covered the individual longer will be Primary to the Plan that has covered the individual for a shorter term.

**Effect on the Benefits**

Your benefits under the MDwise Marketplace Plan will be reduced when the sum of (1) and (2) below exceeds the Allowable Expenses in a Claim Determination Period:

1. The benefits that would be payable for the Allowable Expenses under the MDwise Marketplace Plan in the absence of the coordination of benefits provision.
2. The benefits that would be payable for the Allowable Expenses under the other Plans, in the absence of coordination of benefit provisions like the MDwise Marketplace Plan coordination of benefit provisions, whether or not a claim is made.

The benefits of this plan will be reduced so that the combination of this plan’s benefits and the payable benefits under the other Plans do not exceed the Allowable Expenses. Each benefit will be proportionally reduced and then charged against any applicable benefit limit of this plan.

**Facility of Payment**

If another Plan provides a benefit that should have been paid or provided under the members MDwise Marketplace Plan, MDwise Marketplace may reimburse the Plan for the benefit. We may then treat the amount as if it were a benefit provided under this MDwise Marketplace Plan and will not be responsible for providing that benefit again. This provision applies to the payment of benefits as well as to providing services. If services are provided, then MDwise Marketplace will reimburse the other Plan for the reasonable cash value of those services.

**Right of Recovery**

If the MDwise Marketplace Plan provides a benefit that exceeds the amount of benefit it should have provided under the terms of these coordination of benefits provisions, MDwise Marketplace may seek to recover the excess of the amount paid or the reasonable cash value of services provided from the following:

1. The individual who was paid, or the individual who received the benefit.
2. Insurance companies.
3. Other organizations.