

Who Pays When Patients Have Two or More Insurance Plans?

For patients covered by two or more carriers, billing the right plan first will speed payments and avoid denials.

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When a patient has coverage by two or more insurance plans, it can be difficult to ascertain which has primary responsibility. In fact, Medicare denials due to confusion between two or more insurance plans are somewhat common. The carrier denies the claim because the patient has—or is believed to have—insurance primary to the one that is denying the claim. However, there are some general guidelines for situations of dual coverage. Acquiring the right information from patients can help practices determine which carrier pays first so that they can bill accordingly and fight denials.

The Role of Medicare

Medicare provides coverage for patients 65 years of age and older, disabled patients, and patients with end-stage renal disease. If these patients have other insurance, Medicare does not always pay first. Consider these scenarios:

Supplemental Insurance. Medicare pays first when the patient's other insurance policy has been purchased to supplement Medicare.

Employer Health Plans. If a patient who has Medicare is covered through an employer health plan through active employment of either the patient or his/her spouse, the employer health plan may go first. If the employer has more than 20 employees, the employer's health plan pays first; Medicare pays second. If the employer has fewer than 20 employees, Medicare pays first. However, if the patient has employer

coverage as a retirement benefit, i.e., the covered patient or spouse is no longer working, Medicare pays first.

Medicare Due to Disability. If the patient has qualified for Medicare due to disability but is covered by a large group health plan from work or is covered through a family member who is working, and the employer has fewer than 100 employees, Medicare pays first. The large group health plan pays second. If the employer has 100 or more employees, the large group health plan pays first, and Medicare pays second.

End-stage Renal Disease. Patients who have end-stage renal disease are entitled to Medicare. During the first 30 months of Medicare entitlement, patients who also have coverage with a group health plan will be covered by the group health plan first and Medicare second. After 30 months, Medicare pays first; the group health plan pays second.

Special Injuries. If a patient who has Medicare is receiving care for a work-related injury, an injury from an accident in which liability insurance is involved, or is eligible for the Federal Black Lung Program, Medicare pays last.

Tricare for Life. If a patient has both Medicare and Tricare for Life, Medicare pays first; Tricare for Life pays last. Note that the provider does not have to have a contract with Tricare to be reimbursed by Tricare for Life.

Members of the Military. For members of the Military under 65 who have qualified for Medicare due to disability, Medicare pays first. Tricare pays second.

Although the process is very similar to Tricare for Life, these patients have standard Tricare, not Tricare for Life. Standard Tricare is the secondary policy. The claim should be filed to the regular Tricare contractor for the region in which the patient resides.

Medicare Advantage Programs. If the patient has joined a Medicare Advantage Program (HMO; PPO) traditional Medicare will not pay anything on the claim.

Commercial Plans

Dual coverage is not limited to Medicare. A patient can also be covered by two commercial carriers. For example, a husband and wife may both be covered through their jobs and also cover each other and/or both of them may cover their children. Determining the order of payers in such instances can be confusing. Often, a phone call to both carriers is necessary. Generally, a working adult will always be covered by his or her own policy first. In many cases, determination of which plan is primary for the children depends on which parent's birthday occurs earlier in the calendar year. Many parents know which plan goes first, but there are cases in which one of the policies is new and the family has not previously used the plans in tandem.

A Time-Saving Tool

To easily acquire information necessary to determine which carrier is the primary plan, develop a short standard questionnaire for Medicare patients.

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