

Medicare COB FAQ

Medicare Coordination of Benefits (COB)

Background and Definition:

When an individual has Medicare and other health insurance or coverage, each type of coverage is called a "payer". When there is more than one payer, "coordination of benefits" rules decide which one pays first. The "primary payer" pays what it owes on your bills first, and then sends the rest to the "secondary payer" (supplemental payer) to pay. In some rare cases, there may also be a third payer.

What it means to pay primary/secondary

- **Primary payer:** The insurance that pays first and pays up to the limits of its coverage as defined in the plan documents.
- **Secondary payer:** The insurance that pays second and only pays if there are costs the primary insurer did not cover. The secondary payer (which may be Medicare) may not pay all of the uncovered costs.
- **Tertiary payer:** The insurance that pays third and only if there are costs the primary and secondary insurer did not cover.

If an insurance company does not pay a claim promptly (usually within 120 days), your doctor or other provider may bill Medicare. Medicare may make a conditional payment to pay the bill. A **conditional payment** is a payment Medicare makes for services another payer may be responsible for. Medicare makes this conditional payment, so that the insured will not have to use their own money to pay the bill. The payment is "conditional" because it must be repaid to Medicare if a settlement, judgment, award, or other payment is made later.

Coordinating Medicare Coverage:

When coordinating coverage with Medicare and a group health plan, employer size is a factor. If an organization has *more than 20 employees*, in most instances the group health plan is the primary payer and Medicare acts as the secondary payer. If an employer has *fewer than 20 employees*, Medicare is the primary payer and the employer's plan is the secondary payer.

Individual	Condition	Pays First	Pays Second
Is age 65 or older, and covered by a group health plan through current employment or spouse's current employment	Employer has less than 20 employees	Medicare	Group health plan
	Employer has 20 or more employees (or the employer is part of a multi-employer group with at least one employer employing 20 or more individuals)	Group health plan	Medicare
Has an employer retirement plan and is age 65 or older	Individual is entitled to Medicare	Medicare	Retiree Coverage
Is under age 65, disabled, retired, and covered by a group health plan through a family member's current employment	Employer has less than 100 employees	Medicare	Group health plan
	Employer has 100 or more employees (or the employer is part of a multi-employer group with at least one employer employing 100 or more individuals)	Group health plan	Medicare
Is age 65 or older or is disabled and covered by Medicare and COBRA continuation coverage	Individual is entitled to Medicare	Medicare	COBRA
Is covered under Workers' Compensation because of a job-related illness or injury	Individual is entitled to Medicare	Workers' Compensation, for health care items or services related to the job-related illness or injury (Note: Medicare may make a conditional payment, which it has the right to recover)	Medicare

Has End-Stage Renal Disease and group health plan coverage	Individual is in the first 30 months of Medicare eligibility or entitlement	Group health plan	Medicare
	After 30 months of Medicare eligibility or entitlement	Medicare	Group health plan
Has End-Stage Renal Disease and COBRA continuation coverage	Individual is in the first 30 months of Medicare eligibility or entitlement	COBRA	Medicare
	After 30 months of Medicare eligibility or entitlement	Medicare	COBRA

Where Can I go if I Have Questions or Want More Information on Medicare?

If you need further information on Medicare, go to www.cms.gov, call 1-800-MEDICARE (1-800-633-4227), or reach them by mail at Medicare Contact Center Operations PO Box 1270 Lawrence, KS 66044. For questions regarding coordination of benefits call the Benefits Coordination and Recovery Center at 1-855-798-2627.