

Colleges of Applied Arts and Technology
GROUP INSURANCE BENEFITS COMMUNIQUÉ
IMPORTANT INFORMATION

Change

COORDINATION OF BENEFITS CLAIMS

What is changing?

The administrative practices concerning second-payer coordination of benefits (COB) claims for eligible services and supplies payable for Extended Health Care, drug and Dental expenses will be changing. Starting later this year, amounts not paid by the primary plan will be adjudicated to the eligible (reasonable and customary) amount of the expense, instead of the submitted amount.

How the current COB calculation works today

Currently, the primary plan adjudicates claims by applying the reasonable and customary amount to the expense claimed, the secondary plan pays the difference ensuring that the combined payment from both plans does not exceed the submitted amount of the claim.

How the COB calculation will change

Once the COB change is implemented, the combined payment from both the primary plan and the secondary plan will not exceed the reasonable and customary amount of the expense being claimed. Reasonable and customary amounts are established as follows:

- **Medical expenses** – Determined by our insurer, Sun Life (each insurer determines their reasonable & customary amounts).
- **Drug expenses** – Determined by Sun Life's drug provider, TELUS Health, through its price file (each insurer determines their reasonable and customary amounts).
- **Dental expenses** – 100% of the fees listed in the appropriate provincial dental fee guide, published by each provincial dental association. Where no acceptable fee guide exists (Alberta), Sun Life establishes an annual reimbursement guide.

What this means to you

First-payer plans are not affected; therefore, your personal claims through the CAAT plans will not see a change. Where your plan is second payer (claims for dependents where another plan is the first-payer):

- Will experience only a minor effect on your second-payer claims when providers do not bill within reasonable and customary limits. If a healthcare practitioner, pharmacist or dentist charges more than the reasonable and customary amount or the cost of an item is more than the reasonable and customary amount, then the plan member will be responsible for the difference in cost.
- Some plan members will experience a more significant impact, particularly for certain medical expenses (e.g., some equipment), or where the provider is billing considerably above the reasonable and customary rate.
- For dental plans where no provincial dental association fee guide exists, dental fees can vary significantly from Sun Life's annual reimbursement guide (retirees in Alberta).

Examples of how Coordination of Benefits (CoB) will work

Massage Therapy claimed @ \$93 for 1 hour visit – Reasonable and Customary = \$93 (as of April 2015)				
Amount Claimed	CAAT Primary Plan Pays 85%	Secondary Plan Pays	New Total Reimbursement	<i>Current Total Reimbursement</i>
Employee claims \$93 No CoB	\$79.05	\$0	\$79.05	<i>\$79.05</i>
Employee claims \$93 with CoB	\$79.05	\$13.95	\$93*	<i>\$93</i>

Massage Therapy claimed @ \$110 for 1 hour visit – Reasonable and Customary = \$93 (as of April 2015)				
Amount Claimed	CAAT Primary Plan Pays 85% of \$93	Secondary Plan Pays	New Total Reimbursement	<i>Current Total Reimbursement</i>
Employee claims \$110 No CoB	\$79.05	\$0	\$79.05	<i>\$79.05</i>
Employee claims \$110 with CoB	\$79.05	\$13.95	\$93*	<i>\$110</i>

Massage Therapy claimed @ \$110 for 1 hour visit – Reasonable and Customary = \$93 (as of April 2015)				
Amount Claimed	Primary Plan Pays 60% of \$93**	CAAT Secondary Plan Pays	New Total Reimbursement	<i>Current Total Reimbursement</i>
Spouse claims \$110 with CoB	\$55.80	\$37.20	\$93*	<i>\$110</i>

* The combined payment from both the primary plan and the secondary plan will not exceed the reasonable and customary amount of the expense being claimed.

** The amount of reimbursement might be different if the coordinating plan is not with Sun Life as the other insurer might adjudicate claims based on a different Reasonable & Customary value