

MAHONING COUNTY SCHOOL EMPLOYEE INSURANCE CONSORTIUM (MCSEIC)

*Campbell
Canfield
Jackson-Milton
Lowellville
MC Educational Service Center
MC Career & Technical Center*

*Springfield
Struthers
West Branch
Western Reserve
Youngstown Community*

Spousal Coordination of Benefits (COB) Rule

To be implemented during the District's 2020 Open Enrollment

Your district's health plan is sponsored by MCSEIC. The objective of the Spousal COB rule is to ensure other employers are the primary payor for their own employees' health insurance claims. Your spouse may remain on the district's plan and receive secondary coverage through coordination of benefits (COB), as applicable. With secondary coverage COB, the spouse will have the same level of benefits as any other covered person on the district's plan. *This applies to spouses eligible to participate, as a current employee, self-employed individual (other than a sole proprietor) in a business or organization (e.g. partner, member), or retiree in a group health and/or prescription drug insurance plan sponsored by his/her employer, business, organization, or retirement plan.*

Any spouse who fails to enroll in any group insurance coverage sponsored by his/her employer, business, organization, or any retirement plan, as required by this Section, shall be ineligible for benefits under such group insurance coverage sponsored by MCSEIC.

It is the employee's responsibility to advise the MCSEIC Health Benefit Plan (the "Plan") immediately (and not later than 30 days after any change in eligibility) if the employee's spouse becomes eligible to participate in group health insurance and/or prescription drug insurance sponsored by his/her employer, business, organization, or retirement plan. Upon becoming eligible, the employee's spouse must enroll in any group health insurance and/or prescription drug insurance sponsored by his/her employer, business, organization, or retirement plan unless he/she is exempt from this requirement in accordance with the exemptions stated in Question 2 below.

Every employee whose spouse participates in MCSEIC's group health insurance coverage and/or prescription drug insurance coverage shall complete and submit to the Plan, upon request, a written certification verifying whether his/her spouse is eligible to participate in group health insurance coverage and/or prescription drug insurance coverage sponsored by the spouse's employer, business, organization, or any retirement plan. If any employee fails to complete and submit the certification form by the required date, such employee's spouse will be removed immediately from all group health insurance and/or prescription drug insurance coverage sponsored by MCSEIC. Additional documentation may be required.

If you submit false information, or fail to timely advise the Plan of a change in your spouse's eligibility for employer (or business, organization, or retirement plan) sponsored group health

insurance and/or prescription drug insurance, and such false information or such failure by you results in the Plan providing benefits to which your spouse is not entitled, you will be personally liable to the Plan for reimbursement of benefits and expenses, including attorneys' fees and costs, incurred by the Plan. Any amount to be reimbursed by you may be deducted from the benefits to which you would otherwise be entitled. In addition, your spouse will be terminated immediately from group health insurance and/or prescription drug insurance coverage under the Plan.

Frequently Asked Questions

1. What is Spousal Coordination of Benefits (COB)?

Spouses of district employees who are eligible for health and/or prescription drug insurance coverage from their own employer and meet specified criteria, as described in the district's Spousal COB language located on the back of the Spousal COB Certification form, must enroll in single coverage with their own employer. Employees enrolling in the district health plan must certify whether or not their spouse is eligible for coverage through their own employer.

2. Are there any exceptions to Spousal COB?

Yes, your spouse is EXEMPT if he/she:

- Is not employed or retired and not eligible for an employer sponsored retirement plan
- Is retired, not employed and solely eligible for ¹Medicare;
- Is employed and working less than 20 hours per week;
- Is employed and not eligible for coverage under his/her employer's plan;
- Is employed by the same MCSEIC district or another district sponsored by MCSEIC; (**Campbell, Canfield, Lowellville, MCEC, MCCTC, Springfield, Struthers, Jackson-Milton, Poland, West Branch, Western Reserve, Youngstown Community**)
- Is required to pay more than **50% of the MCSEIC single rate** per month for single coverage;
- Is employed by an employer with less than 20 employees (includes full-time and full-time equivalents) AND is ¹Medicare eligible.

This exception does not apply to group retirement plans. If a spouse is eligible for a group retirement plan such as SERS or STRS and is NOT ¹Medicare eligible and will not pay more than **50% of the MCSEIC single rate per month for single coverage, the spouse must enroll in their group retirement plan as primary and may continue coverage under the district's plan as secondary.*

3. What happens if my spouse's employer's annual open enrollment period doesn't coincide with my effective date of coverage under the MCSEIC District's plan?

The district's spousal COB language states that if your "spouse is eligible to participate in group health insurance and/or prescription drug insurance, the spouse must enroll in such employer-sponsored group insurance coverage(s)... Any spouse who fails to enroll in any group insurance coverage sponsored by his/her employer, as required by this Section, shall be ineligible for benefits under such group insurance coverage sponsored by MCSEIC."

In compliance with federally mandated HIPAA requirements, your spouse's employer's plan must allow your spouse to enroll in their plan since your spouse will lose the district's

coverage if he or she fails to enroll in his or her employer's plan which creates a qualifying event.

4. How will the Mahoning County School Employee Insurance Consortium know if my spouse *has* coverage available through his/her employer?

If you elect family coverage and wish to cover your spouse, you are required to complete a questionnaire each year. Your spouse's employer must certify the availability of coverage.

If you submit false information in this Certification, or fail to timely advise the District of a change in your spouse's eligibility for employer-sponsored group health insurance, and such false information or such failure by you results in the District providing benefits to which your spouse is not entitled, you will be personally liable to the District for reimbursement of benefits and expenses, including attorneys' fees and costs, incurred by the District. Any amount to be reimbursed by you may be deducted from the benefits to which you would otherwise be entitled. In addition, your spouse will be terminated immediately from the District's group health insurance coverage.

5. What if my spouse is self-employed?

If your spouse offers coverage through his or her company, he/she must enroll in that coverage.

6. If my spouse is eligible for health/prescription drug coverage through his/her SERS or STRS retirement plan or disability benefit, is he or she required to enroll in that plan?

Yes, unless your spouse is also ¹Medicare eligible.

7. Rather than my spouse enrolling into his/her employer's plan or group retirement plan as primary, can he/she purchase a separate plan?

No, your spouse must enroll in his/her employer sponsored plan or group retirement plan as primary. If your spouse would like to purchase another plan rather than enroll in their employer's plan or group retirement plan, they are not eligible to enroll in the district's plan.

8. If my spouse is disabled, is he/she still required to enroll in his/her employer's coverage?

Yes. If your spouse meets the eligibility requirements of his/her employer's plan, he/she is required to enroll in their employer's coverage.

9. Does the Spousal COB requirement apply if the spouse is on Medicare?

If ¹Medicare is the ONLY source of coverage, then the Spousal COB requirement does not apply. If the spouse is on ¹Medicare and actively at work for an employer that offers health coverage and has more than 20 employees (full-time and full-time equivalents) then the Spousal COB requirement does apply.

10. What if my spouse is a partner for a firm or is an LLC associated with a firm?

If your spouse is working as a partner for a firm, or is an LLC associated with a firm, and that spouse is eligible to participate in his or her associated firm's health and/or prescription drug

coverage (as partners or LLCs associated with that firm), the Spousal COB requirement applies.

11. Does this language affect my children's coverage?

No. This language does not affect coverage for your eligible children. It applies only to your working spouse. If both employee and spouse choose to elect family coverage and cover their children, standard coordination of benefit rules will apply.

12. Is the implementation of Spousal COB a qualifying event that allows us to add dependent children onto our plan at this time?

No.

13. If my spouse loses his/her job, or another "qualifying event" occurs causing the loss of his/her primary coverage, is there a waiting period before my spouse is eligible to receive primary coverage from my district's health care plan?

Coverage under the district's plan will become primary immediately upon loss of the other coverage.

14. Does the Spousal COB requirement mean that the district may still provide health care coverage for my spouse?

Yes. If your spouse is enrolled in their own employers' health/prescription drug plan, the district will provide your spouse with secondary coverage under the district's plan. Your spouse's employer's plan will be responsible for the initial processing and payment of claims in accordance with the spouse's plan. Any unpaid balances may then be submitted to the district's plan for processing under Coordination of Benefits. A spouse with primary coverage will receive the same level of benefits as any other covered member on the district's plan.

15. What if my spouse's plan is a Health Savings Account (HSA) compatible plan?

To be eligible to contribute pre-tax dollars into an HSA, an individual must be covered by a HSA-qualified High Deductible Health Plan (HDHP) and cannot be covered by other health insurance that is not an HDHP. This means that your spouse will need to decide whether:

- i. he/she wants to enroll in the spouse's employer's HDHP *and contribute* (and/or allow his/her employer to contribute) pre-tax dollars into an HSA and NOT be covered as secondary under the district's plan; *or*
- ii. he/she wants to enroll in the spouse's employer's HDHP without contributing or accepting contributions from his/her employer to the HSA and elect secondary coverage thru the district's plan.

THE IRS DOES NOT ALLOW BOTH.

You may refer to the following US Department of the Treasury website for more details:
<http://www.treasury.gov/resource-center/faqs/Taxes/Pages/Health-Savings-Accounts.aspx>.

16. Please explain the “rules” of Health Coordination of Benefits (COB).

For a complete explanation of the COB processing rules, please refer to your Benefit Booklet. Please keep in mind, to receive the highest level of benefit coordination you must use Network providers on the district’s plan.

17. Please explain the “rules” for Prescription Drug Coordination of Benefits (COB)?

Coverage will be coordinated at the pharmacy. Your spouse will be required to show the pharmacy his/her primary carrier ID card and pay the member responsibility for the primary insurance carrier at the time the prescription is filled. If the amount paid for the district’s coverage is less, you may file a paper claim with the district’s carrier and receive reimbursement for the difference. For example, if the copay for the primary insurance carrier is \$30 for a generic drug and the copay for the district’s insurance carrier is \$5 for a generic drug, then the district’s carrier will reimburse the member \$25.

Important Note: There are some large prescription drug retailers that can process coordination of benefits at the point of sale, making a paper claim unnecessary. Check with your local pharmacy.

Also, if your spouse is enrolled on a high deductible health plan and prescription drugs apply to the deductible, the same process as indicated above applies.

18. Assume a spouse’s plan does not cover a procedure, but the district’s plan does; will the services be covered under the district’s plan? If so, how much will be paid?

The claim must first be submitted to the primary insurance carrier which is the spouse’s employer’s plan. If denied, then the claim and denial (EOB) can be submitted under the district’s plan for processing. The payment will be based on the district’s plan benefits and would be subject to any deductibles, copayments or applicable coinsurance, exclusions or limitations. Again, the spouse would receive the same benefit as any other covered member on the district’s plan.

19. Does the Spousal COB language apply to the districts’ dental or vision plans?

No.

20. If my spouse has secondary coverage under my district’s plan, can he/she continue to take advantage of special wellness or care management programs offered by the district’s plan or insurance carrier?

Yes, your spouse is still covered by the district’s plan and eligible to participate in any special program offered.

¹This material does not address those individuals who are Medicare eligible due to End Stage Renal Disease (ESRD). Please consult the Medicare & You Guide or your local Medicare Office for further information.

This analysis is an outline of the coverages proposed upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This frequently asked questions document is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.