

## COB CALCULATION #1: When the Other Insurance payment is GREATER than what Highmark would have paid if primary

Claim example that compares Other Insurance compared to Highmark Insurance, with a provider charge of \$100:		
	Other Insurance (OI)	Highmark Insurance (HMK)
Provider Charge	\$100	\$100
Allowance	\$90	\$50
Member Deductible	\$30	\$10
Insurance Payment (allowance – deductible)	\$60	\$32 (80% of \$40)
Member Coinsurance	0	\$8 (20% of \$40)
Total Member Liability (deductible + coinsurance)	\$30	\$18

Using the same claim example, the following shows how coordination of benefits are applied based on the specific COB Model:

COB Model	Rule	Calculation	Result	Total HMK Member Liability
<b>NAIC Consistent COB</b>	Other Insurance (OI) payment is subtracted from the Highmark (HMK) payment	\$ 32 (HMK Payment) - 60 (OI Payment) \$- 28	If negative, then no HMK payment made to provider; member liability <b>credit</b> applied by HMK if HMK were primary	<b>No HMK payment; \$18 credit applied towards HMK deductible and coinsurance</b>  \$10 (HMK deductible) + 8 (20% of \$40 = HMK Coinsurance) \$18 HMK Total Member Liability
<b>Regular COB</b>	HMK allowance is compared to OI Member Liability amount; HMK will consider the lesser amount	\$30 (OI member liability) < \$50 (HMK allowance)	OI member liability amount is less than HMK allowance; HMK will consider \$30 eligible for payment	<b>\$16 HMK payment:</b> \$30 (HMK eligible amount) -10 (HMK deductible) \$20 (80% of \$20)  <b>\$14 Total HMK member liability:</b> \$10 (HMK deductible)+4 (20% of \$20 - HMK Coinsurance)
<b>Hard Non-duplication COB</b>	Other Insurance payment is subtracted from the HMK payment	\$32 (HMK Payment) - 60 (OI Payment) \$- 28	If negative, then no HMK payment made to provider; member liability <b>credit</b> applied by HMK if HMK were primary	<b>No HMK payment; \$18 credit applied towards HMK deductible and coinsurance</b>  \$10 (HMK deductible) + 8 (20% of \$40 = HMK Coinsurance) \$18 HMK Total Member Liability
<b>Soft Non-duplication I COB</b>	Other Insurance payment is subtracted from HMK allowance	\$50 (HMK Allowance) - 60 (OI Payment) \$- 10	If negative, then no HMK payment made; no HMK credit applied	<b>No HMK payment / No HMK credit applied</b>
<b>Soft Non-duplication II COB</b>	Other Insurance payment is subtracted from HMK allowance	\$50 (HMK Allowance) - 60 (OI Payment) \$- 10	If negative, then no HMK payment made to provider; member liability <b>credit</b> applied by HMK if HMK were primary	<b>No HMK payment; \$18 credit applied towards HMK deductible and coinsurance</b>  \$10 (HMK deductible) + 8 (20% of \$40 = HMK Coinsurance) \$18 HMK Total Member Liability



## COB CALCULATION #2: When the Other Insurance payment is LESS than what Highmark would have paid if primary

Claim example that compares Other Insurance compared to Highmark Insurance, with a provider charge of \$120:

	Other Insurance (OI)	Highmark Insurance (HMK)
Provider Charge	\$120	\$120
Allowance	\$100	\$90
Member Deductible	\$80	\$0
Insurance Payment (allowance – deductible)	\$20	\$72 (80% of \$90)
Member Coinsurance	0	\$18 (20% of \$90)
Total Member Liability (deductible + coinsurance)	\$80	\$18

Using the same claim example, the following shows how coordination of benefits are applied based on the specific COB Model:

COB Model	Rule	Calculation	Result	Total HMK Member Liability
<b>NAIC Consistent COB</b>	Other Insurance (OI) payment is subtracted from the Highmark (HMK) payment	\$72 (HMK Payment) - 20 (OI Payment) \$52	If positive, then the calculated amount (\$52) is compared to the OI member liability (\$80). HMK pays the lesser amount to the provider at 100% ; member liability credit applied by HMK if HMK were primary	<b>\$52 = HMK Payment; \$18 credit applied towards HMK deductible and coinsurance</b>  \$18 (20% of \$90 = HMK Coinsurance) + 0 (HMK deductible) \$18 HMK member liability
<b>Regular COB</b>	HMK allowance is compared to OI Member Liability amount; HMK will consider the lesser amount	\$90 (HMK allowance) > \$80 (OI Payment)	OI member liability amount is less than HMK allowance; HMK will consider \$80 eligible for payment	<b>\$64 HMK Payment:</b> \$80 (HMK eligible amount) - 0 (HMK deductible) \$80 (80% of \$80=\$64)  <b>\$16 HMK member liability:</b> \$ 0 (HMK deductible) +16 (20% Of \$80 HMK Coinsurance)
<b>Hard Non-duplication COB</b>	Other Insurance payment is subtracted from the HMK payment	\$72 (HMK Payment) - 20 (OI Payment) \$52	If positive, then the calculated amount (\$52) is compared to the OI member liability (\$80). HMK pays the lesser amount to the provider at 100% ; member liability credit applied by HMK if HMK were primary	<b>\$52 = HMK Payment; \$18 credit applied towards HMK deductible and coinsurance</b>  \$18 (20% of \$90 = HMK Coinsurance) + 0 (HMK deductible) \$18 HMK member liability

## COB CALCULATION #2 (continued): When the Other Insurance payment is LESS than what Highmark would have paid if primary

Claim example that compares Other Insurance compared to Highmark Insurance, with a provider charge of \$120:

	Other Insurance (OI)	Highmark Insurance (HMK)
Provider Charge	\$120	\$120
Allowance	\$100	\$90
Member Deductible	\$80	\$0
Insurance Payment (allowance – deductible)	\$20	\$72 (80% of \$90)
Member Coinsurance	0	\$18 (20% of \$90)
Total Member Liability (deductible + coinsurance)	\$80	\$18

Using the same claim example, the following shows how coordination of benefits are applied based on the specific COB Model:

COB Model	Rule	Calculation	Result	Total HMK Member Liability
<b>Soft Non-duplication I COB</b>	Other Insurance payment is subtracted from HMK allowance	\$90 (HMK Allowance) - <u>20</u> (OI Payment) \$70	If positive, then the calculated amount (\$70) is compared to the OI member liability (\$80). HMK will consider \$70 eligible for payment	<b>\$56 HMK Payment:</b> \$70 (HMK eligible amount) - <u>0</u> (HMK deductible) \$70 (80% of \$70=\$56)  <b>\$14 Total member liability:</b> \$14 (20% of \$70 HMK Coinsurance)+ 0 (HMK deductible)
<b>Soft Non-duplication II COB</b>	Other Insurance payment is subtracted from HMK allowance	\$90 (HMK Allowance) - <u>20</u> (OI Payment) \$70	If positive, then the calculated amount (\$70) is compared to the original HMK payment (\$72). HMK will pay the lesser amount to the provider at 100%; member liability credit applied by HMK if HMK were primary	<b>\$70 = HMK Payment; \$18 credit applied towards HMK deductible and coinsurance</b>  \$18 (20% of \$90 = HMK Coinsurance) <u>+ 0</u> (HMK deductible) \$18 HMK Total Member Liability