

Ford Motor Company – NESC		Functional Area: Insurance	
Title: COORDINATION OF BENEFITS (COB) Rules			
Document Type: Reference Material	Document #: I-RM-701	GIS Item #: 25.03	Retention Code: S+1
Updater: sdefoe	Effective Date: 07/01/2008	Destroy Date:	

Situation	Who is Primary	Who is Secondary
<b>1. Ford Employee/Employed Spouse</b> <b>When the Claim is for:</b> A. Ford Employee with No Medicare B. Ford Employee with Medicare C. Spouse with No Medicare D. Spouse with Medicare E. Children	A. Ford Coverage B. Ford Coverage C. Other Health Care Plan D. Other Health Care Plan E. Determined by Birthday/Gender/Divorce Rules	A. Other Health Care Plan B. Other Health Care Plan Second; Medicare Third C. Ford Coverage D. Ford Coverage is Second; Medicare Third E. Determined by Birthday/Gender/Divorce Rules
<b>2. Ford Employee/Retired Spouse</b> <b>When the Claim is for:</b> A. Ford Employee with No Medicare B. Ford Employee with Medicare C. Spouse with No Medicare D. Spouse with Medicare E. Children	A. Ford Coverage B. Ford Coverage C. Other Health Care Plan D. Ford Coverage E. Determined by Birthday/Gender/Divorce Rules	A. Other Health Care Plan B. Medicare is second; Other Health Care Plan is Third C. Ford Coverage D. Medicare is second; Other Health Care plan is Third E. Determined by Birthday/Gender/Divorce Rules
<b>3. Ford Retiree/Employed Spouse</b> <b>When the Claim is for:</b> A. Ford Retiree with No Medicare B. Ford Retiree with Medicare C. Spouse with or without Medicare D. Children	A. Ford Coverage B. Other Health Care Plans C. Other Health Care Plans D. Determined by Birthday/Gender/Divorce Rules	A. Other Health Care Plan B. Medicare is second; Ford Coverage is Third C. Ford Coverage (Medicare pays second, if applicable) D. Determined by Birthday/Gender/Divorce Rules
<b>4. Ford Retiree/Retired Spouse (Neither eligible for Medicare) When the Claim is for:</b> A. Ford Retiree B. Spouse C. Children	A. Ford Coverage B. Other Health Care Plans C. Determined by Birthday/Gender/Divorce Rules	A. Other Health Care Plan B. Ford Coverage C. Determined by Birthday/Gender/Divorce Rules
<b>5. Ford Retiree/Retired Spouse (Both eligible for Medicare) When the Claim is for:</b> A. Ford Retiree B. Spouse C. Children	A. Medicare B. Medicare C. Determined by Birthday/Gender/Divorce Rules	A. Ford Coverage is second; Other Health Care Plan is Third B. Other Health Care Plan is second; Ford Coverage is Third C. Determined by Birthday/Gender/Divorce Rules
<b>6. End Stage Renal Disease When the Claim is for the Active Employee:</b>		

A. First 30 months of eligibility	A. Ford Coverage	A. Medicare
B. After 30 months of eligibility	B. Medicare	B. Ford Coverage

Note: Legislative Acts dealing with rules that make Medicare secondary to employer-based programs must be taken into account. The above guidelines are general statements. This comparison is intended as a brief description and is subject to the terms and conditions of the documents that govern Ford Coverage.

## COORDINATION OF BENEFITS (COB) RULES

When patients covered by the Ford Health Care Plan are covered also by another Group Health Care Plan, use the following rules to determine which Plan pays benefits first (primary) and which Plan pays benefits second (secondary).

- **EMPLOYEES**
  1. If the patient is covered as an **active** employee and as a dependent, the plan covering the patient as an employee pays benefits first.
  2. If the patient is covered by **more than one employer**, the plan covering the patient as an **active** employee is primary over one covering him/her as an inactive employee.
  3. If the patient is covered as a **laid-off or retired employee AND as a dependent** under a different plan, the plan covering the person as a laid-off or retired employee is primary.
  4. If the patient is covered in the same status by **MORE THAN ONE EMPLOYER** (i.e. active to active, retiree to retiree, etc.), the plan covering the patient for the longer period of time is primary.

- **CHILDREN, Birthday/Gender Rules:**  
 The Birthday Rule applies **unless** the other Plan follows the Gender Rules. In that case, Ford will follow the Gender Rule to prevent a situation where both plans claim a secondary position.

**Birthday Rule**  
 When Plans for both parents cover a child, the Plan of the parent whose birthday falls earlier in the year pays benefits first. The Plan of the parent whose birthday falls later in the year pays benefits second.

When both parents' birthdays are on the same day, the Plan of the parent that has been in effect the longest will pay benefits first. If both plans have the same effective date, the father's Plan pays first and the mother's Plan pays second.

**Gender Rule**  
 The **father's** Plan is primary.

- **CHILDREN OF DIVORCED/SEPARATED PARENTS:**  
 The following rules are substituted for the Birthday Rule or Gender Rule:

**Court Order**  
 If a court order places the responsibility for the child's health care on one of the parents, that parent's Plan pays benefits first.

**No Court Order**

If no court order exists, the Plan of the parent **with custody** pays first and the non-custodial parent's Plan pays second. However, if the parent **with custody has remarried and the stepparent also covers the child**, the Plan of the stepparent pays benefits second, and the non-custodial parent's Plan pays third.

## COORDINATION OF BENEFITS (COB) RULES

There is no coordination of benefits with individual or family policies of insurance purchased by the enrollee, or with any group policy for which the enrollee pays at least one half the cost.

**Special Rules-If Both the Ford Employee and Spouse are in HMOs**

- Spouse (and/or dependents) has choice of going to either HMO.
- If spouse goes to his/her HMO, there is no Ford coverage unless the provider participates in both plans; then, the Ford plan would pay any balances if its HMO benefit limits exceed those of the spouse's plan.
- If spouse's doctor or other provider does not participate in the Ford employee's plan, any balance is the responsibility of the spouse unless the Ford HMO approves and pays benefits for a medical emergency.

**Special Rules-If the Ford Employee is Enrolled in Traditional and the Spouse is in a HMO**

- Spouse's primary coverage is with the HMO. The Ford Plan will coordinate benefits if Traditional benefit limits exceed those of the HMO.
- If the spouse (or dependents) have coverage through a HMO, and the HMO has denied a claim because authorized guidelines were not met (e.g., going outside the network without authorization), then the Ford plan will not pay for services not authorized by the HMO.