

# UNDERSTANDING my coverage

## HOW WILL THE SECOND-PAYER COORDINATION OF BENEFITS CLAIMS WORK?

The following examples are to help you understand the calculations.



### Medical claim

A plan member paid \$80 for a medical expense, but the reasonable and customary amount for the expense in her province is \$75.

- The first group benefits plan paid \$60.
- The second-payer plan pays \$15 (the difference between \$75 and \$60).
- The plan member is then responsible for \$5, the amount billed above the reasonable and customary amount (\$80 - \$75).

**Note:** If the provider charged the reasonable and customary rate (\$75 or less), there would be no excess amount above the reasonable and customary fee to be paid by the plan member.



### Pay-Direct Drug claim

This could also apply to reimbursement drug plans where generic substitution and/or pricing is included.

- A plan member fills a prescription for a drug that costs \$60, but the reasonable and customary amount is \$53.
- The first group benefits plan paid \$40.
- The second-payer plan plays \$13 (the difference between \$53 and \$40).
- The plan member is then responsible for \$7, the amount billed above the reasonable and customary amount (\$60 - \$53).

**Note:** If the pharmacist charged according to the reasonable and customary amount (\$53 or less), then there would be no excess amount to be paid by the plan member.



### Dental claim

A plan member has a dental expense for \$240, but the provincial dental association current fee guide indicates \$235 for this expense/provider type.

- The first group benefits plan pays \$200.
- The second-payer plan pays \$35 (the difference between \$235 and \$200).
- The plan member is then responsible for \$5, the amount billed above the current fee guide (\$240 - \$235).

**Note:** If the dentist charged according to the provincial fee guide (\$235 or less), then there would be no excess amount above the reasonable and customary amount to be paid by the plan member.