

Coordination of Benefits (Working Spouse Provision)

FAQ

What is Coordination of Benefits?

Coordination of Benefits (COB) is a provision that is proposed in the Teacher's Tentative Agreement which applies to employees who have working spouses or qualified ex-spouses who have access to health coverage through his/her employer. COB shifts the primary cost of healthcare to the employer of the working spouse. The spouse is still covered under the City of Providence family health plan. The City's plan acts as the secondary payer and covers the cost of any covered services not paid for by the working spouse's health plan.

Per Section C-6 of the TA, "Effective October 1, 2015, any member whose spouse has coverage available to them through their employer must enroll in single coverage to maintain eligibility with the City plan serving as a secondary payer. The City will reimburse the cost of the spouse's premium contribution to the member with proper documentation. Failure to enroll for available coverage constitutes loss of eligibility."

How will coverage "coordinate" for my working spouse?

If your working spouse has access to health coverage through his/her employer (not including self-employed spouses or those on Medicare/SSDI), he/she is required to enroll in individual coverage (medical and prescription only) as soon as he/she is able based upon their employer's guidelines for enrolling in health coverage. Your spouse will then shift to primary coverage with his/her employer and will remain on your City health plan as secondary.

The primary plan (through working spouse's employer) pays the claim first. Then the secondary plan (City of Providence) will pay for anything that the primary plan did not pay as long as it is a covered benefit under the City of Providence plan. In many cases, this results in the working spouse paying a \$0-co-pay at point of service for medical and prescription expenses.

The City will reimburse you in your paycheck for the cost of the individual coverage that is taken out of your spouse's paycheck.

How will the reimbursement in my paycheck begin?

You will receive a letter from the City of Providence/PPSD Benefits Office with detailed information along with a form you will need to complete. In order for the reimbursement to begin, you would need to provide the Benefits Department with a signed copy of the COB Certification form, copies of two (2) of your spouse's paystubs (showing the individual healthcare co-share deduction), proof of individual coverage, the effective date of coverage, and a copy of the spouse's insurance card. A letter from the spouse's employer including all of the above information will also be accepted.

How will the provider(s) charge both insurance coverages?

Your spouse must provide both insurance cards to physicians as well as pharmacies. The provider will process the primary coverage first and then process the secondary coverage. In most instances, showing both cards will alleviate co-pays.

If my spouse is self-employed, do I need to participate in COB?

No.

If my spouse is on Medicare or collects Social Security Disability, do I need to participate in COB?

No.

Does this apply to dental coverage?

No. This does not apply to dental – only medical and prescription coverage.

Do I still have to pay the family co-share as outlined in my Collective Bargaining Agreement?

Yes. Since your spouse is still on the City's plan, you are required to pay family co-share.

What happens if my spouses' doctor does not accept the primary insurance?

The City of Providence will pick up as primary in the instance that a doctor or service is not covered under your spouse's health coverage, as long as it is a doctor or service that is covered under the City of Providence health coverage.

What if my spouse is unemployed?

If your spouse is unemployed, you will simply check off the appropriate box on the Certification form and return the signed form to the Benefits Department within the timeframe requested.

What if my spouse works but does not have access to health coverage with his/her employer?

If your spouse works but doesn't have access to health coverage, you will simply check off the appropriate box on the Certification form and return the signed form to the Benefits Department within the timeframe requested.

I am divorced. Does my ex-spouse have to comply with COB?

Yes. As long as the requirement to cover your ex-spouse is contained in your divorce decree or QDRO, he/she is required to participate in COB. The Benefits Department will work with individuals on a case by case basis to assist in communication of this information to ex-spouses as needed.

What if my spouse's open enrollment isn't until July and this is implemented in October?

If your spouse's open enrollment is not until July or sometime after October, you simply complete the appropriate box on the Certification form and fill in the date of Open Enrollment and return the form to the Benefits Department within the timeframe requested. The Benefits Office will send you COB information again in advance of the Open Enrollment deadline.

What happens if the cost of my spouse’s coverage increases each year?

If the cost of your spouse’s individual coverage increases, a new paystub will be required to show the increase. A letter from your spouse’s employer showing the increase and effective date of the increase will also be accepted. The increase will appear in the next regular pay cycle following receipt of the new paystub.

How will I know my spouse’s co-share reimbursement is in my pay check and it is accurate?

The reimbursement will be listed in the earnings section under the code “HRM” on your paycheck.

Am I taxed on the reimbursement?

Yes. Your spouse’s co-share is deducted from his/her Employer using pre-tax dollars. Now when you are reimbursed, it is considered taxable earnings per IRS regulations. This nets out to a zero-impact to you and your spouse for tax purposes.

My spouse is currently eligible for a healthcare buy-out payment from their employer for not enrolling in their employer’s coverage?

Your spouse would be obligated to enroll in healthcare coverage through their employer if it is available. The City will not reimburse you for the buy-out payment that your spouse would now be ineligible for.

What if my spouse forgets to show his/her City of Providence secondary insurance card?

If your spouse forgets to show his/her City of Providence card at the pharmacy, he/she has two weeks to return to the pharmacy for a reimbursement of any out of pocket expenses he/she may have incurred. If it is after the two week timeframe, you can submit a paper claim form along with the receipt. If your spouse forgets to show his/her City of Providence card at a provider’s office, please provide the Benefits Office a copy of the bill and/or receipt of payment so that we may work with BCBSRI to have the claim re-adjudicated.

What if my spouse leaves his/her employer and will no longer have access to healthcare coverage?

If your spouse no longer has access to other coverage, the City of Providence will pay as the primary insurer. If this situation arises, please submit a letter from your spouses’ previous employer showing that the coverage is being terminated and the effective date of the termination.