

Changes to Dental Coordination of Benefits

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Point of Interest

- This will only effect employees using a dentist that charges above their Provincial Fee Guide

Old COB Regulations

It used to be that for Coordination Of Benefits (COB) the entire cost of the claim could be coordinated. This meant that if a dentist charged above their provincial Fee Guide one company would pay their share and the second company would pay based on what is left. It should be noted that the majority of group insurance contracts are worded such that they pay claims based on the Provincial Fee Guide of the plan member/employee. Therefore, under the old rules a Dental claim looked something like this:

Typical check-up visit:

Assuming the plan has no deductible, or that it had already been satisfied, that both plans have an 80% co-insurance and the dentist charged \$150.00 for the check-up, however the Ontario Dental Association (ODA) Fee Guide states \$125.00.

Company 1 pays 80% of the \$125.00 = \$100.00
 Company 2 pays 80% of \$50 remaining = \$40.00
 Leaving the plan member out of pocket \$10.00

Company 1 only reimbursed based on the Fee Guide (\$125) and company 2 was taking the stance that the \$50 remaining is below the ODA Fee Guide and therefore the full \$50 was an eligible expense. However, things have changed:

New Dental COB Regulations

The Canadian Life and Health Insurance Association (CLHIA) has implemented a new COB policy that is to be adopted by all insurers. Their new regulations limit the amount subject to coordination to the eligible amount under the plan. This means, if the contract stated it reimburses based on the Provincial Fee Guide it must adhere to that wording. Therefore, assuming the same as above the new COB works like this:

Company 1 pays 80% of the \$125.00 = \$100.00
 Company 2 pays 80% of the \$25.00 (ODA Fee Guide eligible) = \$20.00
 Leaving the plan member out of pocket \$30.00

Please note the preceding is for illustration purposes only.

Questions or comments—contact us at:
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As individual circumstances may vary, we advise that you seek professional advice.