



Change to Second-Payer Coordination of Benefits Claims

Effective January 1, 2016, Sun Life changed their administrative practices concerning second-payer coordination of benefits (COB) claims for eligible services and supplies payable for Supplementary Medical, Drug and Dental expenses. COB claims will be adjudicated to the eligible (reasonable and customary) amount of the expense instead of the full amount submitted.

If you are covered under an RBC retiree benefits program and another group plan, the payment of eligible expenses can be shared by both plans. COB claims are the ones you submit to Sun Life for the amount remaining after a claim has been partially paid through another group benefits plan. Typically, this is for a product or service that your spouse/ partner have submitted to his or her plan first.

More information on coordinating your benefits is included in your retiree benefits booklet.

Why did Sun Life make the change?

The change ensures that Sun Life's process for adjudicating COB claims remains consistent with Canadian Life and Health Insurance Association (CLHIA) guidelines, which help insurers apply fair and consistent processes.

What does this mean to you?

There will be no difference in the way we calculate claims that you submit first through your retiree benefits program administered by Sun Life. For most COB claims you shouldn't see a difference in the amount you pay, unless a provider charges more than the reasonable and customary amount for an item or service. In that case, you are responsible for paying the difference. This includes drug, dental and medical providers.

For example:

Your spouse/partner paid \$80 for a medical expense, but the reasonable and customary amount for the expense in your province is \$75.

- Your *spouse/partner's* plan pays \$60.
- Your retiree benefits program pays \$15 (the difference between \$75 and \$60).
- You are then responsible for \$5, the amount billed above the reasonable and customary amount (\$80 minus \$75). This might be a reduction from what you would have previously received as reimbursement, i.e., previously you may have received \$20 with no out-of-pocket cost to you.

Note: If the provider charged the reasonable and customary rate (\$75 or less), there would be no out-of-pocket expense.