PREMERA HEALTH SAVINGS PLAN FOR MICROSOFT

Coordination of benefits

What is Coordination of Benefits?

Coordination of Benefits (COB) is a process where individuals, couples, or families who are covered under more than one health plan combine their coverage to maximize their benefits. One plan becomes the primary plan and pays benefits first. The other plan becomes the secondary plan and pays the balance for eligible expenses, subject to its plan benefits and limitations.

Examples of COB include:

- A Microsoft employee covered under the Health Savings Plan and another qualified high-deductible health plan (HDHP)
- The spouse or domestic partner of a Microsoft employee covered under their own group insurance plan and the Health Savings Plan
- Children covered under both parents' plan, such as Microsoft and another company's health plan

If I am on the Health Savings Plan can I coordinate benefits?

If you are enrolled in the Health Savings Plan and you wish to enroll your spouse or domestic partner as a dependent with the Microsoft plan as the secondary plan, then you may coordinate benefits with no impact to your Health Savings Account (HSA) eligibility.

However, if you wish to open and contribute to an HSA, you may not be covered as a dependent on your spouse or domestic partner's health plan unless that plan is also a qualified high-deductible health plan (HDHP). This also applies if your spouse has a Health Care Flexible Spending Account.

How does Coordination of Benefits work?

One plan pays eligible benefits first and becomes the primary plan, while the other plan pays second and becomes the secondary plan. Once benefits are paid by the primary plan, the secondary plan pays its share of the remaining balance for eligible expenses, subject to the plan's benefits and limitations. Using in-network providers with both the primary and secondary plans maximizes the benefits received. Your spouse or domestic partner should ask their provider to submit claims to both plans. If the provider will only bill the primary plan, your spouse or domestic partner can submit a claim to the secondary plan (the Health Savings Plan) directly with copies of the itemized bill or receipt and the primary plan's Explanation of Benefits (EOB). Please note that a copy of the primary plan's EOB is required for Premera to coordinate benefits.

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Which plan pays first?

See the examples below to determine which plan pays first (the primary plan) and which plan pays second (the secondary plan).

Microsoft employees

Your Health Savings Plan will be primary.

For spouses and domestic partners

Your spouse's or domestic partner's plan is considered primary for his or her own claims. They should submit claims to this plan first. Next, send the outstanding balance to the secondary plan (the Health Savings Plan) for additional reimbursement of eligible expenses if applicable.

For married couples with dependent children

If you choose to cover your child on your spouse's or domestic partner's plan in addition to covering them on your Health Savings Plan, your child's primary coverage will be based on the "birthday rule." This means that the insurance of the parent whose birthday (excluding year of birth) occurs first in the calendar year will become primary coverage for the child. Note: A child of two Microsoft employees can only be covered on one Microsoft medical and dental plan. If this applies to your situation, you will need to determine which of you will cover the dependent. If you are separated or divorced, please refer to the COB rules for covering a child in the Summary Plan Description for more information.

What other important information should I know?

- Premera will pay benefits based on the Premera network status (in or out of network) of the provider. To receive the maximum benefit level, you should choose a provider that is in network for both plans.
- Your spouse or domestic partner must always follow the rules of their primary plan in order for the Health Savings Plan to consider paying as secondary.

  Example—If the primary plan requires your spouse or domestic partner to obtain preapproval for a procedure or see an in-network provider to receive coverage and they fail to do so, the Health Savings Plan will pay nothing for that expense, regardless of whether it is a covered service under the plan.
- Any visit limits that apply to a plan will be counted toward the limit of both plans, regardless of which plan pays.

  Example—If both the primary and secondary plans cover two routine dental cleanings per year, the maximum number of dental cleanings allowed for each person covered under the two plans would still be two dental cleanings total. Having coverage under the secondary plan would not allow an additional two dental cleanings per year.
- The Microsoft plan will not pay an amount greater than the Premera allowed amount it would have paid if this plan were the primary plan.

  Example— The cost of the service received by your spouse or domestic partner is $150 and the allowed amount for the Health Savings Plan is $100. If the primary plan paid $100, the Health Savings Plan will not pay any additional amount over what the primary plan paid.
- Secondary claims are processed based on the covered services of the Health Savings Plan, regardless of whether the service was covered by the primary plan.

  Example— If your spouse or domestic partner receives a service under their primary health plan that is not a covered service by your Premera Plan as secondary coverage, there will be no reimbursement for the claim under your plan.

Coordination of Benefits scenarios

The examples below are for illustrative purposes only. Please call the Premera-dedicated customer service team for Microsoft at 800-676-1411, 5 a.m. to 8 p.m. Monday through Friday with any questions you may have about your specific Coordination of Benefits plan.

Scenario #1: Employee +1

The primary plan's $500 deductible was met as a result of this service. The spouse or domestic partner has a balance of $500 owing to the provider if their provider accepted the primary plan's allowed amount. While the secondary coverage (Health Savings Plan) did not pay anything additional for this service, the full Premera allowed amount of $1,400 for the claim was applied toward the spouse's or domestic partner's secondary coverage Health Savings Plan deductible of $3,000, leaving a balance of $1,600 left to satisfy for the year.

PLAN	BILLED AMOUNT	ALLOWED AMOUNT	AMOUNT ELIGIBLE FOR BENEFITS	AMOUNT APPLIED TO DEDUCTIBLE	COINSURANCE	AMOUNT PAID BY PLAN	BALANCE
Primary plan	$2,500	$1,200	$1,200	$500	100%	$700 (B)	$500 (C)
Secondary plan (Health Savings Plan)	N/A	$1,400 (A)	$700 (A-B)	$1,400	90%	$0 (D)	$500 (C-D)

Total paid by primary and secondary	**$700**
Remaining Health Savings Plan deductible	**$1,600**
Remaining Health Savings Plan coinsurance maximum	**$2,000**
Balance owed by spouse or domestic partner	**$500**

Scenario #2: Employee +1

The primary and secondary plan's deductibles have already been met. After applying both primary and secondary coverage, the spouse or domestic partner has a balance of $1,100 owing to the provider. After $100 in coinsurance has been applied to the secondary coverage Health Savings Plan coinsurance max of $2,000, it leaves a balance of $1,900 left to satisfy before the plan begins to pay 100% for covered services.

PLAN	BILLED AMOUNT	ALLOWED AMOUNT	AMOUNT ELIGIBLE FOR BENEFITS	AMOUNT APPLIED TO DEDUCTIBLE	COINSURANCE	AMOUNT PAID BY PLAN	BALANCE
Primary plan	$10,000	$10,000	$10,000	N/A (met)	80%	$8,000 (B)	$2,000 (C)
Secondary plan (Health Savings Plan)	N/A	$9,000 (A)	$1,000 (A-B)	N/A (met)	90%	$900 (D)	$1,100 (C-D)

Total paid by primary and secondary	**$8,900**
Remaining Health Savings Plan deductible	**$0**
Remaining Health Savings Plan coinsurance maximum	**$1,900**
Balance owed by spouse or domestic partner	**$1,100**

How are secondary claims submitted to Premera?

Your spouse or domestic partner should ask their provider to submit claims to both primary and secondary coverage. If their provider will not submit secondary claims, your spouse or domestic partner will need to submit these directly to Premera by doing the following:

- **For Medical** or **Dental claims**—Go to **aka.ms/benefits** and select **Medical** or **Dental** in the **Health & Wellbeing** menu, then choose **Find a Claim Form**.
  —Complete the form and send a copy of the provider's bill along with the Explanation of Benefits (EOB) from the primary plan.
- **For Pharmacy claims**—Go to **aka.ms/benefits** and select **Prescriptions** in the **Health & Wellbeing** menu, then choose **Find a Claim Form**.
  —Complete the form and submit it along with the pharmacy receipt (not the register receipt) that includes the drug name, National Drug Code (NDC), and payment information.

Send all secondary claims to:

Premera Blue Cross
PO Box 91059
Seattle, WA 98111-9159

Or fax to 800-676-1477