

Retiree Alternate Coverage Frequently Asked Questions

What is Retiree Coordination of Benefits?

Coordination of Benefits (COB) is a provision which applies to working retirees who have access to health coverage through their employer. COB shifts the primary cost of healthcare to the employer of the retiree. The retiree is still covered under the City of Providence 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 retiree's health plan.

How will the reimbursement in my paycheck begin?

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 paystubs (showing the individual healthcare co-share deduction), proof of individual coverage, the effective date of coverage, and a copy of your insurance card. A letter from your employer including all of the above information will also be accepted.

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

You 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 I am self-employed, do I need to participate in COB?

No.

If I am on Medicare or collect Social Security Disability, do I need to participate in COB?

No.

Does this apply to dental or vision coverage?

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

What happens if my 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 health coverage, as long as it is a doctor or service that is covered under the City of Providence health coverage.

What if I am unemployed?

If you are unemployed, you will simply check off the appropriate box on the Certification form and return the signed form to the Benefits Department.

What if I work but do not have access to health coverage with my employer?

If you work but don't have access to health coverage, you will simply check off the appropriate box on the Certification form and return the signed form with proof/documentation to the Benefits Department.

What if I have to wait until open enrollment with my employer?

You simply check off the appropriate box on the Certification form and fill in the date of Open Enrollment and return the signed form to the Benefits Department.

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

If the cost of your individual coverage increases, a new paystub will be required to show the increase. A letter from your 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 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.

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Am I taxed on the reimbursement?

Yes. Your co-share is deducted from your 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 for tax purposes.

I am currently eligible for a healthcare buy-out payment from my employer for not enrolling in their employer's coverage?

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

What if my I forget to show my City of Providence secondary insurance card?

If you forget to show your City of Providence card at the pharmacy, you have two weeks to return to the pharmacy for a reimbursement of any out of pocket expenses you may have incurred. If it is after the two week timeframe, you can submit a paper claim form along with the receipt. If you forget to show your 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 I leave my employer and will no longer have access to healthcare coverage?

If you no longer have access to other coverage, the City of Providence will pay as the primary insurer. If this situation arises, please submit to the Benefits Department a new Coordination of Benefits form. Check off the appropriate box, sign and date with a letter from your previous employer showing that the coverage is being terminated and the effective date of the termination.

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