

Medicare Secondary Payer Group Health Plan (GHP) Process as it Applies to Employers

What is Medicare Secondary Payer (MSP)?

Medicare Secondary Payer (MSP) is the term used by Medicare when Medicare is not responsible for paying first.

How does MSP impact Employers?

- Employers must provide SWHP with Employer Identification Numbers (EINs) or Tax Identification Numbers (TINs), if we don't already have this information on file.
- We need to have the employer's address on file to which Coordination of Benefits (COB) issues & recovery demands should be directed.
- We must report the number of employees on all groups and that data must be updated each calendar year.

As an employer, you must:

- Assure that your plans identify those individuals to whom the MSP requirement applies;
- Assure that your plans provide for proper primary payments where by law Medicare is the secondary payer;
- Assure that your plans do not discriminate against employees and employees' spouses age 65 or over, people who suffer from permanent kidney failure, and disabled Medicare beneficiaries for whom Medicare is secondary payer; and,
- Accurately complete and submit Data Match reports timely on identified employees.

Employer cooperation is extremely important!

- If an employer does not provide its GHP insurer or TPA the information necessary and required for Section 111 reporting, the employer is putting its GHP insurer or TPA at risk for non-compliance with the Section 111 reporting requirements.
- **Some employers may be asked to assist the insurer or TPA in compiling important information in order to determine their employees' entitlement, or the entitlement of their employee's spouse or dependent, to Medicare, such as the Medicare Health Insurance Claim Number (the Medicare ID number). *This information is needed by Medicare. Please be sure to report anyone who is of retiree age to your Account Representative.***
- Employers may also be asked to tell the insurer or TPA the number of full-time and part-time employees the employers has. This is important because the MSP requirements are employer size specific.
- Prompt employer cooperation with its GHP insurers or TPAs will reduce GHP and employer costs associated with the coordination of benefits with Medicare.
- Prompt employer cooperation with its GHP insurers or TPAs will prevent Medicare from making mistaken payments. Fewer mistaken payments made by Medicare will result in fewer recovery actions against employers.

- Prompt employer cooperation will better ensure the success of this new insurer reporting requirement. If CMS determines that the MMSEA Section 111 mandatory reporting requirements process is successful, CMS will consider requesting that Congress eliminate current employer responsibilities under the annual IRS/SSA/CMS Data Match. See (<http://www.cms.hhs.gov/irsssacmsdatamatch/>) for more information about employer responsibilities under the IRS/SSA/CMS Data Match.

Medicare can recover from you, the employer!

- Under the Medicare Secondary Payer provisions of the Social Security Act, employers that sponsor or contribute to the Group Health Plan are entities from which Medicare may recover. (42 U.S.C. 1395y(b))

If you would like more information, please ask your Account Representative for our full MSP presentation. You may also get more information by visiting <http://www.cms.hhs.gov/MandatoryInsRep/>.