

Medicare Secondary Payer Group Health Plans

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Objective

After this session you'll have a better understanding of the MSP group health plan provision guidelines to ensure your claims are being submitted to the Medicare program appropriately.



Today's Presenters: Carleen Parker and Lori Langevin

Medicare Secondary Payer Group
Health Plans (GHP)

Working Aged (type 12)

Disability (type 43)

ESRD (type 13)

GHP Scenarios

Group Health Plans (GHP)

Provider Responsibilities

- Ask Medicare patient if there's other primary insurance
- Obtain name, address and policy of primary insurance
 - If there is no MSP file showing on eligibility files, contact BCRC to have appropriate record added
 - ✓ Call 855-798-2627
 - ✓ [Your Billing Responsibilities](#)
 - ✓ [CMS Internet-Only-Manual Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, MSP Model Admission Questions to Ask Medicare Beneficiaries 20.2.1](#)
- Submit MSP claims with appropriate [ANSI Specifications for 837P](#)

Defining Terms

- MSP: Medicare Secondary Payer

- Term Medicare uses for situations when Medicare is not primary claim payer
 - ✓ After primary insurance processes claim, Medicare may pay secondary

- GHP: Group Health Plan

- Health coverage based on employment benefits of beneficiaries and/or spouse
- Medicare is always either primary or secondary for GHP

- References

- [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 1 - Background and Overview](#)
- [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 2 - MSP Provisions](#)

Who Pays First?

- GHP insurance pays primary to services provided
 - Working Aged (12)
 - Disabled (43)
 - ESRD (13)
- Medicare will process as secondary payer
- [MSP Model Questions to Ask Medicare Beneficiaries 20.2.1](#)

MSP Working Aged (12)

- Five criteria must be met
 - Beneficiary aged 65 or older
 - Beneficiary enrolled in Medicare Part A
 - Beneficiary or spouse (of any age) employed and actively working
 - Beneficiary covered by EGHP through that employer
 - Size of employer (full- and/or part-time employees)
 - ✓ Individual employer GHP = 20 or more employees
 - ✓ Multi-employer or multiple employer GHPs = at least one employer employs 20 or more employees

Working Aged Scenario

Individual (age 67) works for a small business where the person is the only employee.

Spouse's husband (age 68) also works for a large company with 2000 employees and has GHP coverage for self and spouse.

Is Medicare secondary payer?

Yes, Medicare is secondary payer.



MSP Disability (Type 43)

- Five criteria must be met
 - Beneficiary under age 65
 - Beneficiary enrolled in Medicare Part A
 - Beneficiary or family member (of any age) employed and actively working
 - Beneficiary covered by LGHP through that employer
 - Size of employer (full- and/or part-time employees)
 - ✓ Individual/multiple employer LGHP - 100 or more employees
 - ✓ Multi-employer plan – at least one employer employs 100 or more employees

Disability Scenario

Individual (age 47) on Medicare for disability and works part-time for a small business with less than five workers and no health benefits.

Spouse's husband (age 58) works for a large company with 8000 employees and has LGHP coverage for self and spouse.

Is Medicare secondary payer?

Yes, Medicare is secondary payer



MSP ESRD (Type 13)

- Beneficiary of any age diagnosed with permanent kidney failure
- Two criteria must be met
 - Beneficiary eligible for or entitled to Medicare based on ESRD
 - ✓ Usually third month after month started regular course of maintenance dialysis
 - Beneficiary enrolled in GHP through current/former employer of self or family member

MSP ESRD (Type 13)

- 30-month coordination period
 - Begins earlier of
 - ✓ Regular course renal dialysis initiated
 - ✓ Self-dialysis training occurred
 - ✓ Entitlement based on kidney transplant
 - Also based on
 - ✓ Date Part A became effective based on ESRD
 - ✓ Date Part A would have become effective based on ESRD had individual applied for Medicare when eligible
 - Ends last date of 30th month from date began
 - ✓ Earlier if GHP ends prior to end of 30th month

Dual Entitlement

| | Entitlement to Medicare Based Next On | | |
|----------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Entitlement Based First On | Age 65 | ESRD | Disability |
| Age 65 | N/A | <ul style="list-style-type: none"> If GHP is already primary to Medicare, coordination period begins (after three-month waiting period if applicable) If GHP is already secondary to Medicare (is not MSP) or there is no GHP, Medicare remains primary | N/A |
| ESRD | If coordination period in effect, it must finish | N/A | If coordination period in effect, it must finish |
| Disability | If GHP coverage via current employment, Medicare remains secondary | <ul style="list-style-type: none"> If GHP is already primary to Medicare, a coordination period begins (after three-month waiting period if applicable) If GHP is already secondary to Medicare (is not MSP) or there is no GHP, Medicare remains primary | N/A |

ESRD Scenario

Individual (age 49) currently works with LGHP coverage. Individual is diagnosed with permanent kidney failure in July 2022, begins receiving dialysis treatment three times weekly, and goes on Medicare in October 2022.

Is Medicare secondary payer?

Yes, Medicare is secondary payer.



MSP Provisions/Categories

- [CMS IOM Publication 100-05, Medicare Secondary Payer Manual, Chapter 2](#)
 - Section 10: Working Aged
 - Section 20: End-Stage Renal Disease
 - Section 30: Disabled

Interactive Scenarios

Scenario One

Individual age 66 entitled to Medicare on the basis of age and works full time

Employer has 250 staff members and offers insurance benefits

Is Medicare secondary payer?

Yes, GHP coverage by virtue of current employment status and employee threshold met; therefore, MSP



Scenario Two

Individual age 72 entitled to Medicare on the basis of age and works part time

Employer has 450 staff members and offers insurance benefits, but the Medicare individual opts not to take the GHP offered by employer

Is Medicare secondary payer?

No, Medicare beneficiaries are free to reject employer plan coverage, in which case they retain Medicare as their primary coverage



Scenario Three

Individual (age 48) entitled to Medicare based on disability, does not work

Spouse works part-time and has Affordable Care Act insurance through the Marketplace

Is Medicare secondary payer?

No, Medicare is primary for the individual age 48



Scenario Four

Fully disabled individual (age 58) has Medicare and no other coverage. Individual gets married in October 2022, goes on spouses LGHP coverage effective 11/1/2022, and has LGHP that carries 1,500 employees

Is Medicare secondary payer for 9/19/2022?

Is Medicare secondary payer for 12/22/2022?

Spouses LGHP becomes primary on 11/1/2022; therefore, for services on 9/19/2022, Medicare is primary and for services on 12/22/2022, Medicare is secondary payer



Scenario Five

Individual (age 37), works full-time with employer group benefits and individual begins course of maintenance dialysis on 6/11/2022

Effective 9/1/2022, individual is eligible for Medicare on basis of ESRD

Is Medicare secondary payer?

Yes, Medicare would be secondary because individual's GHP coverage was by virtue of current employment and continues to be secondary payer for 30 month of ESRD-based eligibility



NGS MSP Resources



The screenshot shows the NGS MSP Resources webpage. At the top, there is a dark blue navigation bar with links for 'Contact Us', 'NGSConnex', 'Subscribe for Email Updates', and 'Part B Provider in Maine (JK)' with a dropdown arrow. Below this is a blue header with the 'national government SERVICES' logo on the left and a search icon on the right. The main navigation menu includes 'HOME', 'EDUCATION', 'RESOURCES' (which is underlined), 'EVENTS', 'ENROLLMENT', and 'APPS'. Below the navigation, a breadcrumb trail reads 'Resources > Claims and Appeals'. The main heading is 'MEDICARE SECONDARY PAYER (MSP)'. The content area is divided into three columns. The left column contains a list of links: 'Determine if Medicare is Primary or Secondary for a Beneficiary's Services' (highlighted with a blue vertical bar), 'Set Up a Beneficiary's MSP Record', 'Correct a Beneficiary's MSP Record', 'Prevent an MSP Rejection on a Medicare Primary Claim', 'Prepare and Submit an MSP Claim', 'Prepare and Submit an MSP Conditional Claim', and 'Prepare and Submit a Medicare Tertiary Claim'. The middle column features the heading 'Determine if Medicare is Primary or Secondary for a Beneficiary's Services' followed by a paragraph: 'MSP Provisions require certain coverage to be billed primary to Medicare for beneficiary services. You can determine Medicare as primary, secondary, or greater payer when you **determine whether or not the beneficiary has other coverage.**' Below this is the heading 'Step 1: Collect MSP Information from the Beneficiary During an MSP Screening Process'. The right column has the heading 'Helpful Resources' followed by links for 'BCRC Contact Information', 'MSP Questionnaire Example', and 'BCRC Contact' with phone numbers '1-855-798-2627' and 'TTY/TDD: 1-855-797-2627'.

Contact Us NGSConnex Subscribe for Email Updates Part B Provider in Maine (JK) ▼

national government SERVICES

HOME EDUCATION ▼ RESOURCES ▼ EVENTS ENROLLMENT APPS ▼

Resources > Claims and Appeals

MEDICARE SECONDARY PAYER (MSP)

Determine if Medicare is Primary or Secondary for a Beneficiary's Services

- Set Up a Beneficiary's MSP Record
- Correct a Beneficiary's MSP Record
- Prevent an MSP Rejection on a Medicare Primary Claim
- Prepare and Submit an MSP Claim
- Prepare and Submit an MSP Conditional Claim
- Prepare and Submit a Medicare Tertiary Claim

Determine if Medicare is Primary or Secondary for a Beneficiary's Services

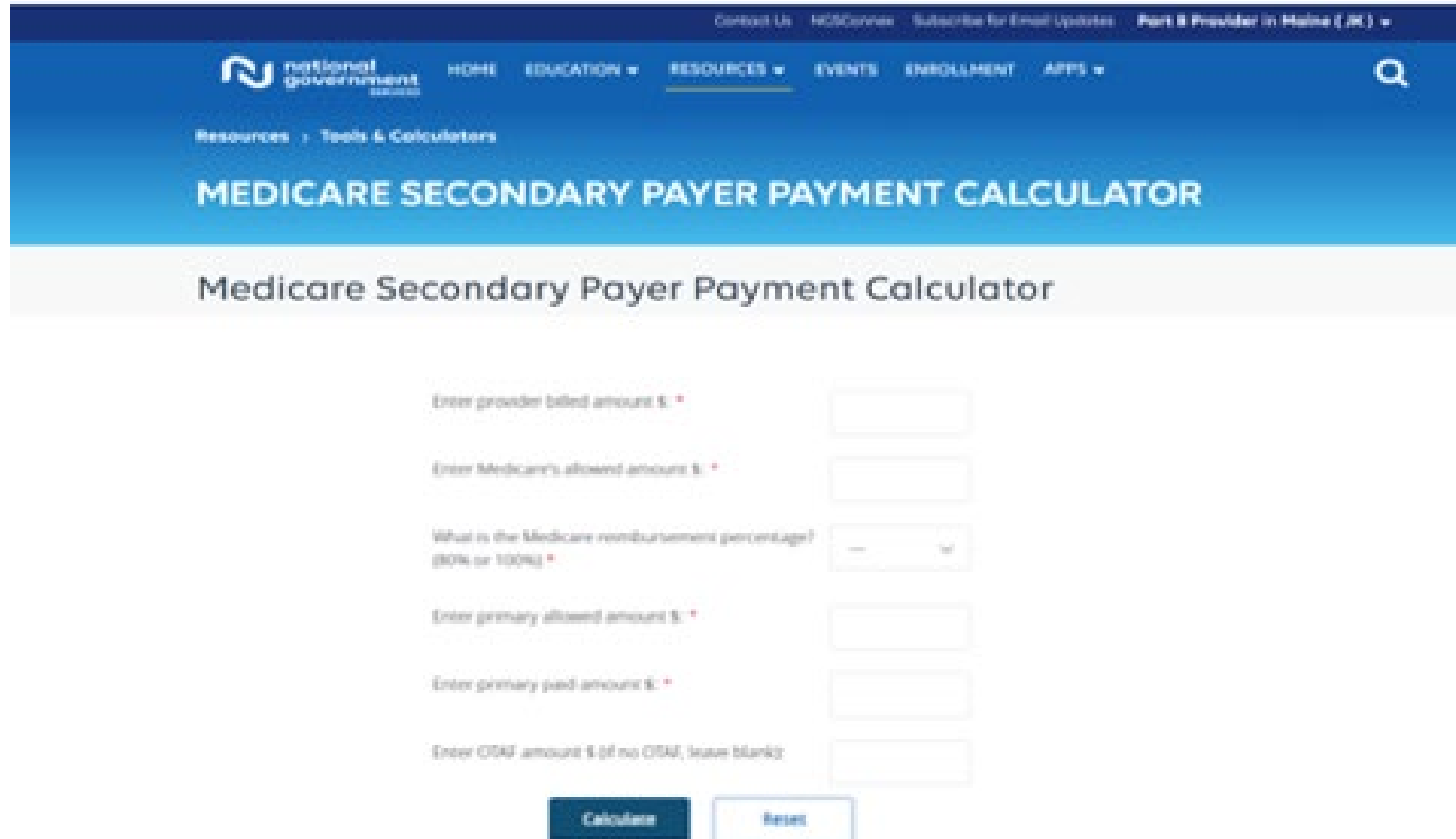
MSP Provisions require certain coverage to be billed primary to Medicare for beneficiary services. You can determine Medicare as primary, secondary, or greater payer when you **determine whether or not the beneficiary has other coverage.**

Step 1: Collect MSP Information from the Beneficiary During an MSP Screening Process

Helpful Resources

- BCRC Contact Information
- MSP Questionnaire Example
- BCRC Contact**
 - 1-855-798-2627
 - TTY/TDD: 1-855-797-2627

MSP Payment Calculator



The screenshot shows the Medicare Secondary Payer Payment Calculator web form. The header includes the National Government Services logo and navigation links: HOME, EDUCATION, RESOURCES (highlighted), EVENTS, ENROLLMENT, and APPS. A search icon is also present. Below the header, the breadcrumb trail reads "Resources > Tools & Calculators". The main title is "MEDICARE SECONDARY PAYER PAYMENT CALCULATOR". The form fields are as follows:

- Enter provider billed amount \$:
- Enter Medicare's allowed amount \$:
- What is the Medicare reimbursement percentage? (80% or 100%):
- Enter primary allowed amount \$:
- Enter primary paid amount \$:
- Enter OSAF amount \$ (if no OSAF, leave blank):

At the bottom of the form are two buttons: "Calculate" and "Reset".

How to Determine the Medicare Secondary Payment Amounts

- First, the MSP payment is determined by the following
 - Actual charge by physician/supplier or OTAF minus amount paid by primary
 - Usual Medicare payment determination
 - [Fee Schedule](#) amount (minus any unmet deductible 2023 – \$226)
 - Multiply results by 80% (or other as appropriate)
 - Highest allowed amount minus amount paid by primary
 - MPFS or amount payable under Medicare (not including deductible or coinsurance)
 - Primary payer's allowed amount
- The Medicare payment is the lowest of the three amounts

Step-By-Step Example

| Example | Calculation |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">Physician's charge = \$175Primary payer's allowed charge = \$150Primary payer paid 80% of allowed charge = \$120Medicare fee schedule amount = \$125Patient's Part B deductible met | <ol style="list-style-type: none">Actual charge by physician minus primary payers payment<ul style="list-style-type: none">$\\$175 - \\$120 = \\$55$Usual Medicare payment determination<ul style="list-style-type: none">$80\% \times \\$125 = \\100Highest allowed amount minus amount paid by primary<ul style="list-style-type: none">$\\$150 - \\$120 = \\$30$ |

Questions?

Thank you! A follow-up email will be sent to attendees with the Medicare University Course Code.

A photograph of four healthcare professionals in a meeting. An older woman with short white hair and glasses, wearing a white lab coat, is seated on the left, gesturing with her hands while speaking. Next to her is a younger woman with short dark hair, also in a lab coat, looking towards the right. In the foreground, the back of a man's head is visible as he sits at the table. On the right, another older man with white hair is looking down at a device. They are all seated around a table with papers and a laptop. The background shows a modern office setting with large windows.

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