

# Medicare Secondary Payer Group Health Plans

4/4/2024

**Closed Captioning:** *Auto-generated closed captioning is enabled in this course and is at best 70-90% accurate. Words prone to error include specialized terminology, proper names and acronyms.*

# Today's Presenters

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## Provider Outreach and Education Consultants

- Carleen Parker
- Lori Langevin



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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.



## Agenda

### Medicare Secondary Payer Group Health Plans (GHP)

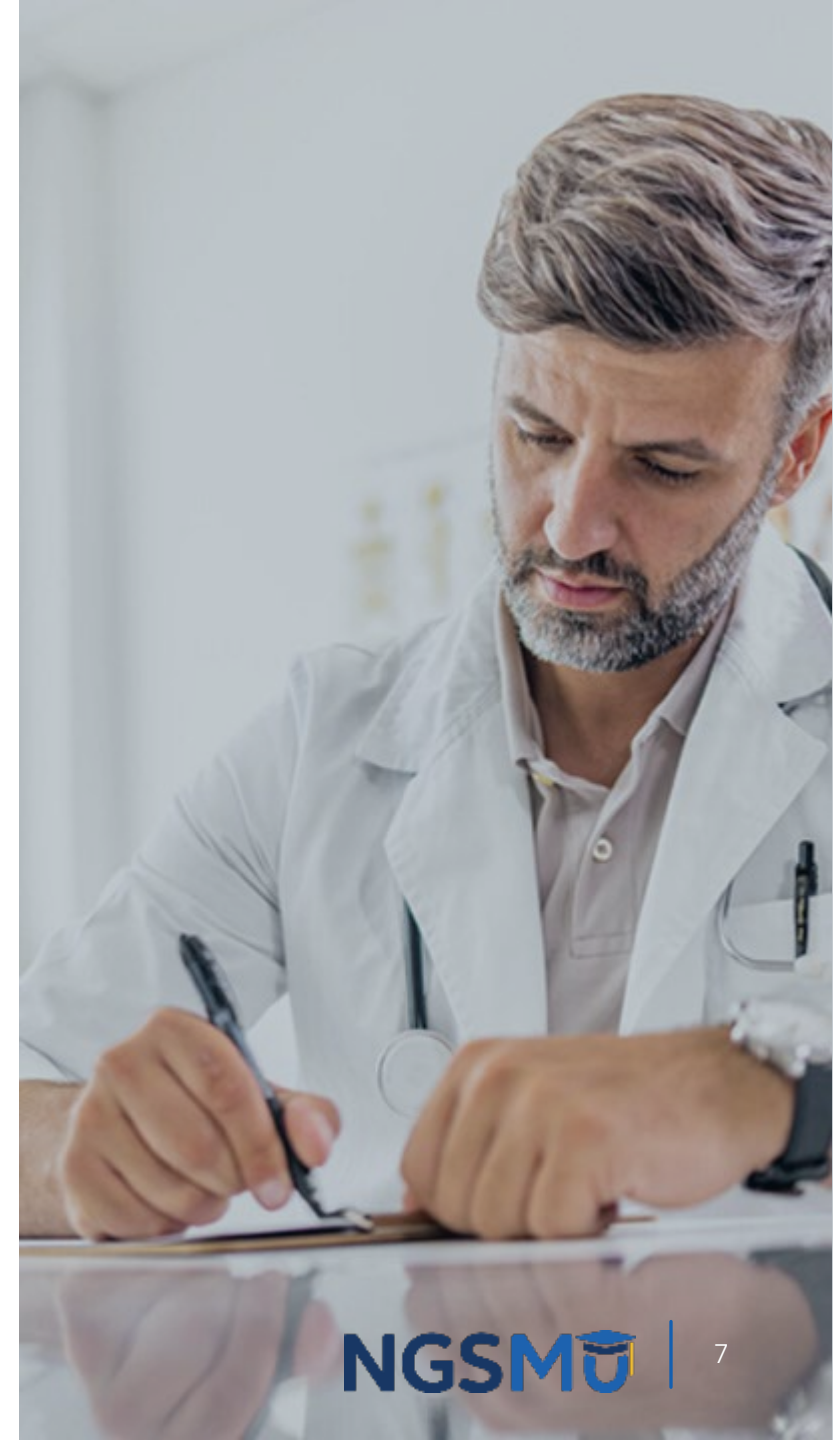
- Working Aged (type 12)
- Disability (type 43)
- ESRD (type 13)

### Group Health Plan Scenarios

# Group Health Plans (GHP)

# Provider Responsibilities

- Ask Medicare patients if there's other insurance
  - [Your Billing Responsibilities](#)
  - [Admission Questions to Ask Medicare Beneficiaries](#)
- Submit MSP claims with appropriate
  - [Electronic Data Interchange: Medicare Secondary Payer 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 – General MSP Overview](#)
  - [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 2 – MSP Provisions](#)



# Who Pays First?

- GHP insurance may be primary
  - Working Aged (12)
  - Disabled (43)
  - ESRD (13)
- Medicare will process as secondary payer
- [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual Chapter 2 – MSP Provisions](#)
- [Admission Questions to Ask Medicare Beneficiaries](#)



# 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 of individual (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 of individual (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
- 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

# ESRD Scenario

Individual (age 49) currently works with LGHP coverage. Individual is diagnosed with permanent kidney failure in January 2024, begins receiving dialysis treatment three times weekly, and goes on Medicare in April 2024.

Is Medicare secondary payer?

Yes, Medicare is secondary payer.



# MSP Regulations



- [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 based on 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 based on 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 2023, goes on spouses LGHP coverage effective 11/1/2023, and LGHP carries 1,500 employees.

Is Medicare secondary payer for 9/19/2023?

Is Medicare secondary payer for 12/22/2023?

Spouse's LGHP becomes primary on 11/1/2023; therefore, for services on 9/19/2023, Medicare is primary and for services on 12/22/2023, Medicare is secondary payer.



# Scenario Five

Individual (age 37), works full-time with employer group benefits and individual begins course of maintenance dialysis on 6/11/2023.

Effective 9/1/2023, 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 displays the National Government Services website. The top navigation bar includes links for 'Contact Us', 'NGSConnex', 'Subscribe for Email Updates', and 'Part B Provider in Maine ( JK )'. The main navigation menu features 'HOME', 'EDUCATION', 'RESOURCES' (highlighted), 'EVENTS', 'ENROLLMENT', and 'APPS'. A search icon is located on the right. Below the navigation, the breadcrumb trail reads 'Resources > Claims and Appeals'. The main heading is 'MEDICARE SECONDARY PAYER (MSP)'. On the left, a vertical 'FEEDBACK' button is visible. The content area is divided into three columns. The first column, titled 'Determine if Medicare is Primary or Secondary for a Beneficiary's Services', lists several links: 'Prevent an MSP Rejection on a Medicare Primary Claim', 'Prepare and Submit an MSP Claim', 'Prepare and Submit a Medicare Tertiary Claim', 'Determine if Medicare Will Make Payment on an MSP Claim', 'Determine Beneficiary Responsibility on an MSP Claim', 'Correct or Reopen a Claim Due to an MSP-Related Issue', and 'Populating MSP Insurance Type Code on Electronic Claims'. The second column, titled 'Determine if Medicare is Primary or Secondary for a Beneficiary's Services', contains a 'Table of Contents' with a bulleted list of steps: 'Determine if Medicare is Primary or Secondary for a Beneficiary's Services', 'Step 1: Collect MSP Information from the Beneficiary During an MSP Screening Process', 'Step 2: Check for Open MSP Records for a Beneficiary in Medicare's Records', 'Step 3: Compare the MSP Information you Collected to the MSP Information in Medicare's Records', 'Step 4: Determine Which Payer is the Primary Payer, Secondary Payer, etc. for the Beneficiary's Services', and 'Step 5: Document your Decision Regarding the Proper Order of Payers and Submit Claims Accordingly'. The third column, titled 'Helpful Resources', includes a link for 'MSP Questionnaire Example'.

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

national government SERVICES

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Resources > Claims and Appeals

## MEDICARE SECONDARY PAYER (MSP)

FEEDBACK

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

- Prevent an MSP Rejection on a Medicare Primary Claim
- Prepare and Submit an MSP Claim
- Prepare and Submit a Medicare Tertiary Claim
- Determine if Medicare Will Make Payment on an MSP Claim
- Determine Beneficiary Responsibility on an MSP Claim
- Correct or Reopen a Claim Due to an MSP-Related Issue
- Populating MSP Insurance Type Code on Electronic Claims

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

#### Table of Contents

- Determine if Medicare is Primary or Secondary for a Beneficiary's Services
- Step 1: Collect MSP Information from the Beneficiary During an MSP Screening Process
- Step 2: Check for Open MSP Records for a Beneficiary in Medicare's Records
- Step 3: Compare the MSP Information you Collected to the MSP Information in Medicare's Records
- Step 4: Determine Which Payer is the Primary Payer, Secondary Payer, etc. for the Beneficiary's Services
- Step 5: Document your Decision Regarding the Proper Order of Payers and Submit Claims Accordingly

#### Helpful Resources

- MSP Questionnaire Example

# MSP Payment Calculator

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[Resources](#) > [Tools & Calculators](#)

## MEDICARE SECONDARY PAYER PAYMENT CALCULATOR

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 OTAF amount \$ (if no OTAF, leave blank):

[Calculate](#)

[Reset](#)



# How to Determine the Medicare Secondary Payment Amounts

- First, the MSP payment is determined by the following
  1. Actual charge by physician/supplier or OTAF minus amount paid by primary
  2. Usual Medicare payment determination
    - [Fee Schedule](#) amount (minus any unmet deductible (2023 = \$226, 2024 = \$240))
    - Multiply results by 80% (or other as appropriate)
  3. 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"><li>Physician's charge = \$175</li><li>Primary payer's allowed charge = \$150</li><li>Primary payer paid 80% of allowed charge = \$120</li><li>Medicare fee schedule amount = \$125</li><li>Patient's Part B deductible met</li></ul>	<ol style="list-style-type: none"><li>Actual charge by physician minus primary payers' payment<ul style="list-style-type: none"><li><math>\\$175 - \\$120 = \\$55</math></li></ul></li><li>Usual Medicare payment determination<ul style="list-style-type: none"><li><math>80\% \times \\$125 = \\$100</math></li></ul></li><li>Highest allowed amount minus amount paid by primary<ul style="list-style-type: none"><li><math>\\$150 - \\$120 = \\$30</math></li></ul></li></ol>

# Questions?

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

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on Social Media



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Educational Videos

medicare **mobile**

Text NEWS to 37702; Text GAMES to 37702



[www.MedicareUniversity.com](http://www.MedicareUniversity.com)

Self-paced online learning

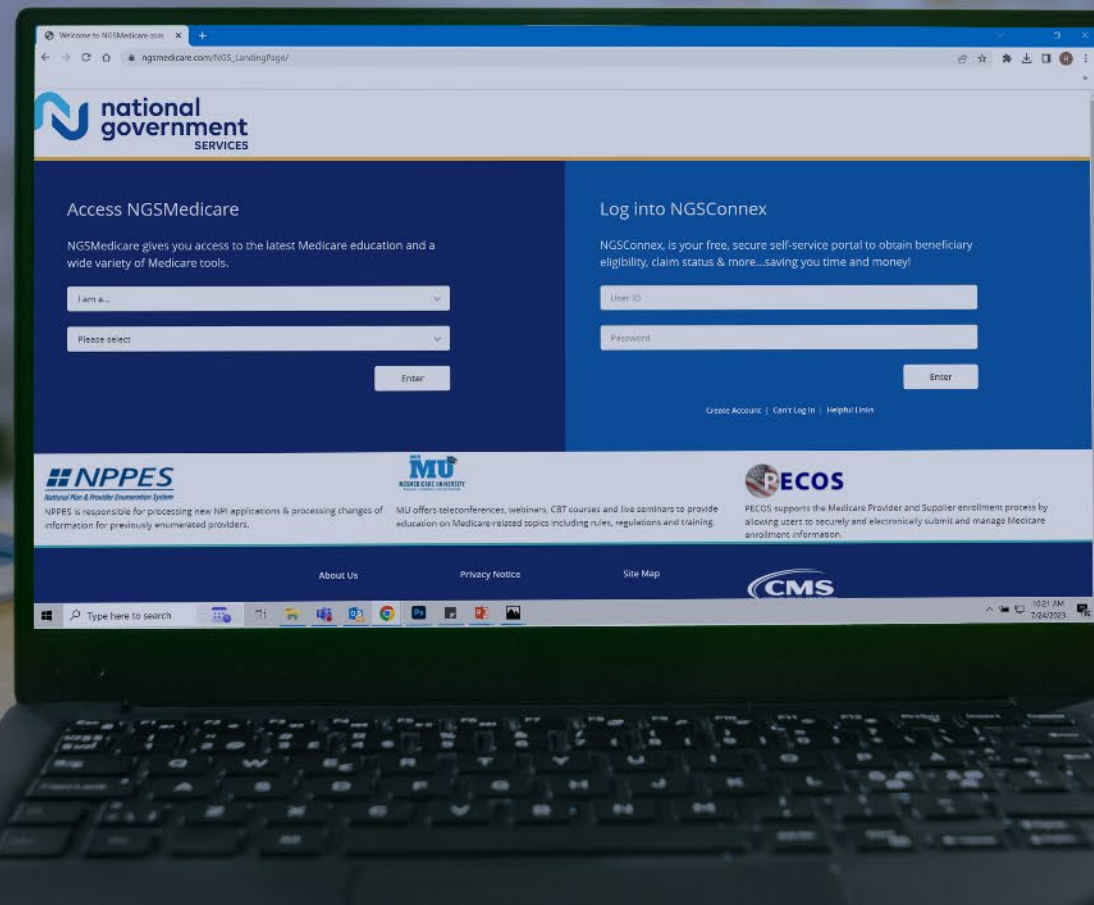


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Educational Content



# Find us online



[www.NGS Medicare.com](http://www.NGS Medicare.com)

Online resources, event calendar, LCD/NCD, and tools



IVR System

The interactive voice response system (IVR) is available 24-hours a day, seven days a week to answer general inquiries



[NGSConnex](#)

Web portal for claim information



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