

Medicare Secondary Payer Group Health Plans

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Today's Presenters

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Objectives

- After this session you will 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)
- GHP scenarios

Group Health Plans

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, Chapter 3, Section 20.2.1](#)
- Submit MSP claims with appropriate loops and segments

Defining Terms

- **MSP: Medicare Secondary Payer**
 - Term Medicare uses for situations when Medicare is not primary claims payer
 - After primary insurance processes claim, Medicare may pay secondary
- **GHP: Group Health Plans**
 - 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 Admission 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 Ages Scenario

- Agnes (age 67) works for a small business where she is the only employee
- Agnes' husband (age 68) also works for a large company with 2000 employees and has GHP coverage for himself and Agnes
 - Who is primary?

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

- Daisy (age 47) on Medicare for disability and works part-time for a small business with less than five workers and no health benefits
- Daisy's husband (age 58) works for a large company with 8000 employees and has LGHP coverage for himself and Daisy
 - Who is primary?

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 Based First On:	Entitlement to Medicare Based Next On:		
	Age 65	ESRD	Disability
Age 65	N/A	<ul style="list-style-type: none"> If GHP is already primary to Medicare (MSP), 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 (MSP), 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

- Ed (age 49) currently works with EGHP coverage. He is diagnosed with permanent kidney failure and began receiving dialysis treatment three times a week and goes on Medicare in October 2021.
 - Who is primary?

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 1

- Individual age 66 entitled to Medicare on the basis of age and works full time
- Employer has 250 staff members and offers insurance benefits
 - Who is primary?
- GHP coverage by virtue of current employment status and employee threshold

Scenario 2

- 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
 - Who would be primary?
- Medicare beneficiaries are free to reject employer plan coverage, in which case they retain Medicare as their primary coverage

Scenario 3

- 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
 - Who is primary
- Medicare

Scenario 4

- Fully disabled individual (age 58) has Medicare, gets married and goes on spouses LGHP coverage effective 1/1/2020, LGHP carries 1500 employees
 - Who is primary for services in January 2020
- Spouses LGHP becomes primary on 1/1/2020

Scenario 5

- Individual (age 37), works full-time with employer group benefits. Individual begins course of maintenance dialysis on 6/11/2019.
- Effective 9/1/2019, individual is eligible for Medicare on basis of ESRD
 - Is Medicare primary or secondary?
- 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

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](#)

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

Resources > Tools & Calculators

MEDICARE SECONDARY PAYER PAYMENT CALCULATOR

Medicare Secondary Payer Payment Calculator

The MSP payment calculator is intended to provide an approximation of what an MSP payment may be for assigned claims. This calculator does not reflect applicable coinsurance, deductible, or other deductions. MSP claims are calculated line-by-line. Any billing and/or refunds should be done based on your remittance advice and not the results of this calculator.

Here's what you will need to get started:

- Your Billed Amount
- Medicare Fee Schedule Allowed Amount
- Primary Insurance Allowed Amount
- Primary Insurance Paid Amount
- Obligated To Accept payment in Full (OTAF), if applicable

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 2022 – \$233)
 - 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

Example

Calculation

- Physician's charges = \$175
 - Primary payer's allowed charge = \$150
 - Primary payer paid 80% of allowed charge = \$120
 - Medicare fee schedule amount = \$125
 - Patient's Part B deductible met
1. Actual charge by physician minus primary payer's payment
 - $\$175 - \$120 = \$55$
 2. Usual Medicare payment determination
 - $80\% \times \$125 = \100
 3. Highest allowed amount minus amount paid by primary
 - $\$150 - \$120 = \$30$

Thank You!

- Follow-up email
 - Attendees will be provided a Medicare University Course Code
- Questions?

