

# Learning Medicare Secondary Payer Interactively

6/2/2022





# Today's Presenters

- Provider Outreach and Education Consultants
  - Carleen Parker
  - Lori Langevin

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# Objectives

- After this session, attendees will be more familiar with applying the Medicare Secondary Payer provisions and billing scenarios to situations seen in the office day-to-day

# Agenda

- Identifying Primary Payers
- Capturing Accurate Data and Documentation
- Billing Requirements
- Utilizing Provider Self-Service Products
- Interactive MSP Scenarios

# MSP Types

- Group Health Plans
  - Working aged (12)
  - Disabled (43)
  - ESRD (13)
- Nongroup Health Plans
  - Workers' Compensation (15)
  - Automobile or other no-fault insurance (14)
  - Liability (47)
- Federal Black Lung Program
- Veterans Administration

# Provider's First Steps

# Provider's MSP Responsibilities

- Per provider agreement
  - Determine whether or not Medicare is primary payer for services rendered
    - Maintain system to identify any primary payer other than Medicare at each visit
  - Bill other payers before billing Medicare
  - Submit MSP claims when required
    - Even if primary payer made payment in full
- [CMS IOM Publication 100-05, Medicare Secondary Payer Manual, Chapter 3](#)

# Primary Payer Identification Methods

- Collect patient information
- [Verification of Medicare Secondary Payer \(MSP\) Online Data and Use of Admission Questions](#)
- Check Medicare's records
- [Interactive Voice Response System](#)
- [NGSConnex Navigation Guide](#)

# MSP Billing Requirements

# Medicare Claim Timely Filing

- Limit is one calendar year from date of service
  - Claims not submitted timely are provider-liable
  - Beneficiary cannot be charged
- Exceptions (MLN Matters<sup>®</sup> MM7270)
  - Administrative error
  - Retroactive Medicare entitlement, including when State Medicaid agencies involved
  - Retroactive disenrollment from Medicare Advantage Plan or PACE Provider Organization

# MSP Billing

- Paper claims (ASCA waived providers only)
  - Must be submitted on red and white CMS-1500 claim form (02/12)
    - [Paper Instructions](#)
- Electronic 837P
  - Different claim submission methods
    - Directly to Medicare (PC-ACE or NGSConnex)
    - Through clearinghouse or vendor via HIPAA-compliant software
  - Required items on paper claim have electronic equivalents
    - [Electronic Instructions](#)

# MSP Provision Scenarios

# One: Quick Review of Category and Provisions of Working Aged

# MSP Working Aged

- 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

# Scenario One

- Lawna has a small property maintenance business where she is the only employee
- However, business has increased so much that it's now too difficult for her to keep up with the paperwork and still have time for her Lawn and Order customers
- Therefore, Lawna hires Azela, a 70-year-old widow to work 40 hours per week
- Azela has Medicare based on her previous work experience

# Scenario One Discussion

- Who would pay primary for Azela?
  - Medicare
- How would you submit the claim?
  - Medicare as the primary

# Scenario Two

- Lawna's Lawn and Order has grown so much that she needs to hire another assistant to help her
- Lawna now hires Shrub to work 40 hours per week
- Shrub is 65 years old, has Medicare, and has been married to Green for 30 years
- Green's workplace has family insurance coverage through his employer's group insurance at Dairyland, which has 1000 employees and his wife, Shrub is covered under his policy

# Scenario Two Discussion

- Who would pay primary for Shrub?
  - Shrub's spouse, Green's insurance coverage through his employer's group insurance at Dairyland, which has 1000 employees
- How would you submit the claim?
  - To Medicare as the secondary payer

# Scenario Three

- Lawna's Lawn and Order business continues to grow, so she has now moved to commercial workshop and hired a staff of 21 full-time employees
- Lawna offers an Employer Group Health Plan to the employees, including Azela and Shrub

# Scenario Three Discussion

- Who would pay primary for Azela?
  - Lawn and Order Employer Group Health Plan
- Who would pay primary for Shrub?
  - 1st to Lawn and Order Employer Group Health Plan
  - 2nd to Shrub's spouse Green's insurance coverage through his employer, Dairyland
  - 3rd to Medicare as third payer

# Two: Quick Review of Category and Provisions of Disability

# MSP Disabled

- Medicare entitlement based on disability
- 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

# Scenario One

- Huckberry, a 35-year-old disabled horticulturist, works at Timber Branch, a company with 5000 employees
- Huckberry receives Medicare due to disability (severe heart condition) and has insurance coverage under the Large Group Health Plan offered by her employer, Timber Branch

# Scenario One Discussion

- Who would pay primary for Huckabee's claims?
  - Employer LGHP through Timber Branch
- Why?
  - Because Huckabee's employer has more than 100 employees (classified as LGHP)

# Scenario Two

- Lily Vera is 20 years old and disabled
- Does not work but is covered under Medicare and the family insurance his father Aloe Vera has through work
- Aloe's employer, Wort and Company has 90 employees

# Scenario Two Discussion

- Who would pay primary for Lily's claims?
  - Medicare
- Why?
  - Disability provisions require the number of employees threshold is 100 or more employees. Because Wort and Company, has 90 employees, this would make Medicare the primary payer for Lily's services

# Three: Quick Review of Category and Provisions of ESRD

# MSP ESRD

- 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

- 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

# Scenario One

- In October 2020, Basil was diagnosed at age 49 with permanent kidney failure and began receiving dialysis treatments three times a week
- He is employed by True Leaf and has insurance coverage through his employer's group health plan
- Basil became eligible for Medicare in January 2021

# Scenario One Discussion

- Who would pay primary for Basil's claims with dates of service in January 2021?
  - Employer health plan through True Leaf
- Why?
  - Basil works at True Leaf and has insurance coverage through his employer's group health plan

# Scenario Two

- Basil became too sick to work, so he had to leave his job in March 2021

# Scenario Two Discussion

- Who would pay primary for Basil's claims with dates of service in July 2021?
  - Employer health plan through True Leaf
- Why?
  - As long as True Leaf still has Basil on their insurance coverage
  - **Note:** If the disability benefits run out and a company no longer covers an individual, Medicare may become the primary before the 30 month period ends

# Four: Quick Review of Category and Provisions of No-Fault Insurance

# MSP No-Fault Insurance

- Can be automobile or other no-fault insurance
- Pays for medical services resulting from
  - Bodily injury
  - Damage to property
- Types include, but are not limited to
  - Automobile insurance
  - Homeowner's insurance
  - Commercial insurance

# Scenario One

- Mr. and Mrs. Porsche were driving home from car event and ran off the road into a ditch
- Although nobody was seriously injured, Mr. Porsche was quite sore the next day
- He was seen by his doctor and found out he had a concussion due to the accident
- Mr. Porsche has no-fault automobile insurance with Progressive Insurance, and also has Medicare

# Scenario One Discussion

- Who is the primary payer for Mr. Porsche's office visit due to the concussion?
  - Mr. Porsche's no-fault insurance Progressive
- The next day, Mr. Porsche fell at home and suffered a leg fracture. Who would be primary in this case?
  - Medicare, because the leg fracture is a result from a fall at home and nothing to do with the automobile accident

# Five: Quick Review of Category and Provisions of Liability Insurance

# MSP Liability

- Protects against claims based on
  - Negligence
  - Inappropriate action
  - Inaction resulting in bodily injury or damage to property
- Types include, but are not limited to
  - Homeowner's
  - Automobile and/or uninsured/underinsured motorist
  - Product
  - Malpractice

# Scenario One

- Mrs. Vine told Mr. Vine to fix the wobbly railing on their front steps for over a month, but he has not yet done it
- Jasmine is a window sales representative and is visiting houses to market her window product
- As Jasmine walks up the Vine's front steps, she puts her hand on the railing and it breaks, sending Jasmine over the edge and ending up with a big cut on her forehead which requires stitches
- Jasmine works full time at Windows Inc. and has insurance through her employer with 110 employees as well as Medicare coverage
- The Vine's have homeowner's insurance through Ivy Insurance

# Scenario One Discussion

- Who is the primary payer for the stitching of the cut to Jasmine's head?
  - Ivy Insurance
  - EGHP because Jasmine's has insurance through Windows Inc.
  - Medicare

# Six: Quick Review of Category and Provisions of Workers' Compensation

# MSP Workers' Compensation

- Provides compensation to employees for injury or disease suffered in connection with employment
- Coverage through current or former employer
- Claims typically billed to WC carrier
- Primary to Medicare for related conditions

# Scenario One

- Walker Comp is 70 and has worked at WC Concrete for 50 years
- Walker has group health plan insurance through Supreme Company, his wife's employer
- Last week at work, Walker picked up a bag of concrete like he's always done but this time he ended up slipping a disc in his back, causing him to be out of work

# Scenario One Discussion

- Who is the primary payer for Walker's claims relating to his back?
  - WC, because the injury was caused while working

# Seven: Quick Review of Category and Provisions of Black Lung Program

# MSP Federal Black Lung Program

- Provides medical benefits to coal miners disabled as result of
  - BL disease, or
  - Other illnesses attributable to coal mining
- Claims submitted to different entity based on relationship to BL condition
  - Not related: Submit to Medicare, unless another provision applies
  - Related: Submit to DOL

# Scenario One

- Cole was originally from West Virginia and worked in the coal mines when she was in her 30s
- She is now 67, retired and living in Vermont on a farm with her spouse, Mina
- Cole is covered under the employer health insurance plan through Mina's work
- Cole was recently diagnosed with black lung disease

# Scenario One Discussion

- Who is the primary payer for treatment of Cole's black lung disease?
  - DOL, Federal Black Lung Program
- Let's say Cole went to the orthopedist for a problem with her hip. Who would be primary in this case?
  - Any other medical related condition would be submitted to Mina's insurance, because Cole is covered under the employer health insurance plan through her spouse, Mina

# Eight: Quick Review of Category and Provisions of Veterans Administration

# MSP Veterans Administration

- Veterans who also have Medicare may choose whether VA or Medicare responsible for covered benefits
  - Decision must be made each time beneficiary receives health care
- To receive VA services, beneficiary must
  - Go to VA facility or
  - Have VA authorize services in non-VA facility

# MSP Veterans Administration

- VA authorization = VA usually pays in full
  - No Medicare payment for authorized services
  - When VA copayment amounts charged for VA-authorized services furnished by non-VA sources
    - Medicare can reimburse veterans or give credit toward Medicare deductible or coinsurance
- Medicare may pay for services
  - When neither physician/supplier nor beneficiary has claimed benefits from VA
  - When VA does not make any payment

# Scenario One

- Vic Arman is 80 years old and a retired, divorced veteran who has Medicare
- He has been going to physical therapy at a Veteran's Administration facility for a short time for a recurring issue

# Scenario One Discussion

- Who is the primary payer for services Vic receives at the VA?
  - VA
- What happens if the VA denies payment?
  - Medicare will if services are a covered service
- Can Vic decide that he wants to get services at a non-VA facility instead of always going to the VA?
  - Yes

# Bonus Scenario

# Scenario One

- Dave Duel, age 75, is a Medicare beneficiary with coverage under Part A and Part B
- He retired from the Diego Company in 2019 and received retirement health insurance coverage
- His wife, Delilah, age 64, has been employed continuously with the local police department and has coverage for herself and her husband under the department's GHP

# Scenario One Discussion

- How many payers could possibly pay on one of Dave's health care claims?
  - Three
- What number payer is Medicare?
  - Delilah's EGHP through the local police department
  - Medicare
  - Dave's Retired policy

# References, Resources and Materials

# NGS References and Materials

- [Our website](#)
- Under Claims & Appeals > Medicare Secondary payer
  - Under Education > Job Aids & Manuals
    - [Medicare Secondary Payer Manual for Electronic Submitters/ANSI Specifications for 837P](#)

# CMS References and Materials

- MLN<sup>®</sup> Booklet: [Medicare Secondary Payer](#)
  - Booklet for Providers, Physicians, Other Suppliers, and Billing Staff
- [CMS IOM Publication 100-02, Medicare Benefit Policy Manual, Chapter 16](#)
- [CMS IOM Publication 100-05 Medicare Secondary Payer Manual](#)
- [CMS IOM Publication 100-05 Medicare Secondary Payer Manual, Chapter 2- MSP Provisions](#)

# Thank You!

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

