

# Learning Medicare Secondary Payer Interactively

12/4/2024

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# Today's Presenters

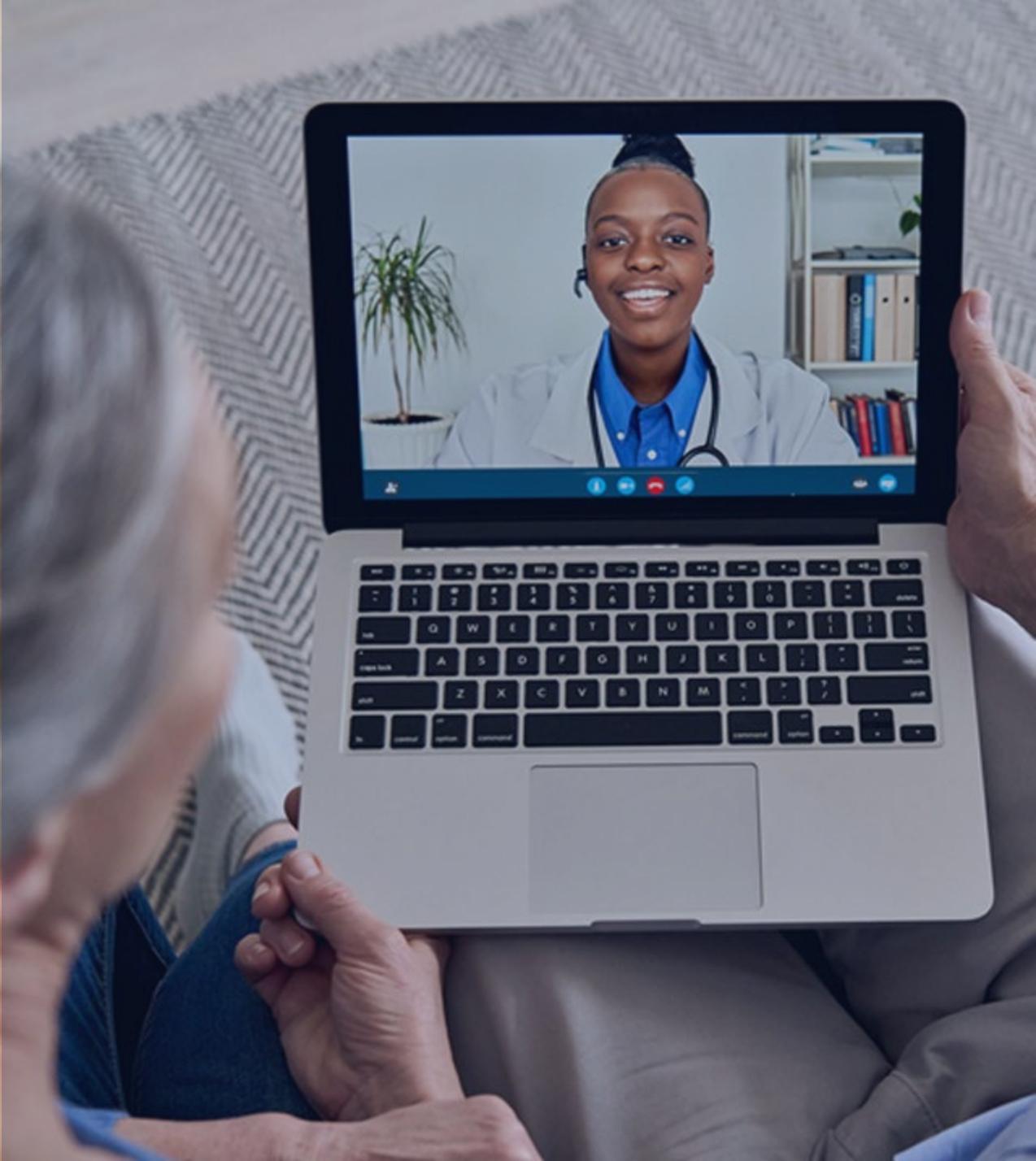
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# Objective

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

- [Provisions](#)
- [First Steps](#)
- [MSP Billing Requirements](#)
- [Interactive MSP Scenarios](#)
  - [Working Aged](#)
  - [Disability](#)
  - [ESRD](#)
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  - [Workers' Compensation](#)
  - [Federal Black Lung](#)
  - [Federal Veterans Administration](#)
  - [Bonus Scenario](#)

# Provisions

# MSP Provisions

- Group Health Plans
  - Working aged (12)
  - Disabled (43)
  - ESRD (13)
- Nongroup Health Plans
  - Workers' Compensation (15)
  - Automobile or no-fault insurance (14)
  - Liability (47)
- Not considered MSP
  - Federal Black Lung Program
  - Veterans Administration



# First Steps

# Provider Responsibilities



- Provider enrollment agreement
  - Determine whether Medicare is primary or secondary 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 \(MSP\) Manual, Chapter 3](#)

# Collect, Copy and Check Insurance Data and Documentation

- Collect Patient Information



- Verification of MSP Online Data and Use of Admission Questions
- [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 3](#)
- Check Medicare's Eligibility records via NGSConnex
- [Need help: NGSConnex User Guide](#)

# MSP Billing Requirements

# MSP Paper Line Items

- Item 4: Indicate name of insured for insurance that is primary to Medicare (may or may not be the patient)
  - If the insured and the patient are same, enter “SAME” in this field
- Item 6: Check the appropriate box for the patient’s relationship to the insured (self, spouse, child, other)
- Item 7: Enter the insured’s address and telephone number
  - When this address is the same as patient’s, enter “SAME” in this field
- Items 10–10c: Indicate “yes” or “no”
  - Is patient’s condition related to employment, auto accident, other accident
  - If the patient’s condition is related to an auto accident, include the two-digit state code official US Postal abbreviation under Place
- Item 11: Enter insured’s policy or group number
  - 11a: Enter insured’s eight-digit birth date (MMDDYYYY format) and gender (sex) if different from information listed in Item 3
  - 11c: If Medicare is secondary payer, complete this line item.

# MSP Paper Claim Billing

The image shows a red CMS-1500 Health Insurance Claim Form. A white box highlights the top section of the form, which includes the following fields:

- 1. PATIENT'S NAME (LAST, FIRST, MIDDLE, INITIAL)
- 2. PATIENT'S DATE OF BIRTH (MM, DD, YY)
- 3. SEX (M, F)
- 4. INSURED'S NAME (LAST, FIRST, MIDDLE, INITIAL)
- 5. INSURED'S ADDRESS (No. & Street)
- 6. CITY
- 7. STATE
- 8. ZIP CODE
- 9. TELEPHONE (IN CLON AREA CODE)
- 10. INSURED'S POLICY OR GROUP OR PECA NUMBER
- 11. INSURED'S DATE OF BIRTH (MM, DD, YY)
- 12. SEX (M, F)
- 13. OTHER CLAIM ID (Designated by PLUCO)
- 14. EMPLOYMENT (Current or Former)
- 15. AUTO ACCIDENT? (YES/NO)
- 16. PLACE (Other)
- 17. OTHER ACCIDENT? (YES/NO)
- 18. INSURANCE PLAN NAME OR PROGRAM NAME

- Paper claims for [ASCA Exception Criteria](#) for waived providers only
- Must have [ASCA Requirements for Paper Claim Submissions](#)
- Must be submitted on red and white CMS-1500 claim form (02/12)
- Line items 4, 6, 7, 10, 11
- Ensure Medicare is secondary via NGSConnex
- Attach copy of primary EOB

# MSP Electronic Claim Billing

- Different electronic claim submission methods
  - Electronic 837P
  - Directly to Medicare (PC-ACE or NGSConnex)
  - Through clearinghouse or vendor via HIPAA-compliant software
- Required items on paper claim have electronic equivalents
  - [Electronic Data Interchange: Medicare Secondary Payer ANSI Specifications for 837P](#)



# MSP Electronic Claim Requirements

## **Electronic Data Interchange: Medicare Secondary Payer ANSI Specifications for 837P**

This document describes the required fields in relation to the ASC 5010X222A1 Technical Report Type 3 (TR3) for 837P. Use the information below to assist you and your software vendor report the appropriate Medicare Secondary Payer (MSP) information in the correct American National Standards Institute (ANSI) fields.

This document lists the required fields in relation to the Accredited Standards Committee (ASC) X12N Technical Report Type 3 (TR3).

### **Required MSP Data**

When billing MSP claims electronically include the following information for the claim to process and pay correctly:

- Indication of Medicare as the secondary payer
- Insurance Type
- Coordination of Benefits (COB) Payer Paid Amount – Claim Level
- Coordination of Benefits (COB) Allowed Amount – Claim Level
- Claim Contract Information (OTAF) – Claim Level
- Claim Adjudication Date – Claim Level
- Line Adjudication Information
- Line Adjustments
- Line Adjudication Date

- [NGS Website](#) > Claims and Appeals > Medicare Secondary Payer (MSP) > scroll to the bottom of the page under Related Content > [Medicare Secondary Payer Manual for Electronic Submitters/ANSI Specifications for 837P](#)

# 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 notification MLN Matters® [MM7270 Revised: Changes to the Time Limits for Filing Medicare Fee-For-Service Claims](#)
  - Administrative error
  - Retroactive Medicare entitlement, including when State Medicaid agencies involved
  - Retroactive disenrollment from Medicare Advantage Plan or PACE Provider Organization



# Interactive MSP Scenarios

Working Aged

# Working Aged Scenario One

- Punny has a small grooming 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 Punny Paw Pets customers
- Therefore, Punny hires Piper, a 70-year-old widow to work 40 hours per week
- Piper has Medicare based on her previous work experience
- Who would pay primary for Punny's medical claims?
  - Medicare
- Would Punny Paw Pets have coverage for Piper?
  - No, because there are only two staff members
- How would you submit claims for Piper?
  - Medicare as primary

# Working Aged Scenario Two

- Punny Paw Pets has grown so much that Punny needs to hire another assistant to help her
- Punny now hires Poppy to work 40 hours per week
- Poppy is 65 years old, has Medicare, and married to Pako
- Pako's workplace has family insurance coverage through employer's group insurance at Pia Pets Packaging which has 1,000 employees and his wife, Poppy is covered under the policy
- Who would pay primary for Poppy?
  - Poppy spouse's insurance coverage that Pako has at Pia Pets Packaging, which has 1,000 employees
- How would you submit the claim?
  - Medicare as secondary payer
- How are electronic claims submitted?
  - [Electronic Data Interchange: Medicare Secondary Payer ANSI Specifications for 837P](#)

# Working Aged Scenario Three

- Punny's business continues to grow, so now Punny Paw Pets moved to a commercial building and hired a staff of 101 full-time employees
- Punny offers EGHP coverage to employees, including Piper and Poppy
- Piper takes insurance, but Poppy opts not to take insurance, because she has insurance coverage via Pako's EGHP
- Who would pay primary for Piper?
  - Punny Paw Pets EGHP
- Who would pay primary for Poppy?
  - Pako's EGHP
- What is the order of payers for Poppy?
  - First, Poppy's spouse Pako's insurance coverage through his employer, Pia Pets Packaging
  - Medicare as the secondary

The background is a solid blue color with a complex, abstract pattern of overlapping, semi-transparent geometric shapes. These shapes include various polygons, triangles, and rounded rectangles, creating a layered, architectural effect. The colors range from a deep, dark blue to a lighter, medium blue, giving the background a sense of depth and movement.

Disability

# Disability Scenario One

- Dayo, a 35-year-old disabled dog walker, works at Punny Paw Pets company with 101 employees
- Dayo receives Medicare due to disability and has insurance coverage under LGHP offered by employer, Punny Paw Pets
- Who would pay primary for Dayo's claims?
  - Employer LGHP through Punny Paw Pets
- Why?
  - Because Dayo's employer has more than 100 employees (classified as LGHP)

# Disability Scenario Two

- Dagny, 20 years old and disabled
- Dagny does not work, but has Medicare and covered under mother's family insurance
- Mother's employer, Punny Paw Pets has 101 employees
- Who would pay primary for Dagny's claims?
  - Employer LGHP via Punny Paw Pets
- Why?
  - Disability provisions require the number of employees threshold is 100 or more employees. Because Punny Paw Pets, has 101 employees, this would make LGHP primary and Medicare the secondary payer

# Disability Scenario Three

- Dara, 59 years old and disabled and on Medicare A and B
- Dara does not work, but has a spouse that works for a small veterinary clinic with 15 employees
- Veterinary clinic does not offer insurance benefits
- Who would pay primary for Dara's claims?
  - Medicare
- Why?
  - Disability provisions require the number of employees threshold is 100 or more. Because the spouse veterinary only has 15 employees and no insurance benefits, this would make Medicare the primary payer

ESRD

# ESRD Scenario One

- In October 2024, Rover was diagnosed at age 49 with permanent kidney failure and began receiving dialysis treatments three times a week
- Rover's employer is Snoopy Scoop and has insurance coverage through employer's LGHP
- Rover became eligible for Medicare in January 2024
- Who would pay primary for Rover's claims with dates of service in January 2024?
  - EGHP through Snoopy Scoop
- Why?
  - Rover worked at Snoopy Scoop and has insurance coverage through EGHP; therefore, the employer health plan would be primary payer for 30 months coordination period

# ESRD Scenario Two

- Over time, ESRD may cause other problems such as bone disease, high blood pressure, nerve damage, anemia and other conditions causing comorbidities making an individual too sick to return to work
- Rover became too sick to work, and left the job in March 2024
- Who would pay primary for Rover's claims with dates of service in March 2024?
  - EGHP through Snoopy Scoop
- Why?
  - Providing Snoopy Scoop has Rover on their health insurance coverage. They would be primary for 30-months coordination period
- Note: If disability benefits run out and company no longer covers an individual, Medicare may become the primary before the 30-month period ends

No-Fault

# No-Fault Scenario One

- Mr. and Mrs. Pako were driving home from a dog show and ran off the road into a ditch
- Although nobody was seriously injured, Mr. Pako was quite sore the next day
- Mr. Pako was seen by his doctor and found he had concussion due to the accident
- Mr. Pako has no-fault automobile insurance with PPI. In addition, Pako has insurance with employer (Pia, that has 1,000 employees)
- Mr. Pako also has Medicare and a retiree insurance plan
- Who is the primary payer for Mr. Pako's office visit due to the concussion?
  - Mr. Pako's no-fault insurance PPI
- Next day, Mr. Pako fell at home and suffered a leg fracture
- Who would be primary for the leg fracture?
  - EGHP then Medicare, because the leg fracture is a result from a fall at home and has nothing to do with the automobile accident
- Where does the retired plan come in?
  - Last

# No-Fault Scenario Two

- Poppy was on the way to work at Punny Paw Pets and a truck hit Poppy's car. The car was totaled, and Poppy was taken to ED
  - It's five months after the accident and Poppy is still laid up and not able to return to work at Punny Paw Pets
  - Poppy's medical bills are piling up and the medical providers are sending bills, because the automobile insurance from the truck driver is not making payment
  - Poppy has Medicare, works and does not have EGHP with employer, is married to Pako, and has insurance under spouses EGHP
- If the automobile has not made payment, what can Poppy do?
    - Ask medical provider to submit claims to medical insurance on a conditional basis until the auto insurance settles payment
  - How would you submit the claims to Medicare?
    - Medicare secondary payer, because Poppy has EGHP under spouse Pako's insurance

Liability

# MSP Liability Scenario One

- Mrs. Acie told Mr. Acie to fix the wobbly railing on their front steps for over a month, but he has not yet done it
- Piper a sales representative from Punny Paw Pets visiting residents to market Mobile Paw Pets grooming services
- As Piper walks up the Acie's front steps, the railing breaks, sending Piper over the edge and Piper cuts her arm and forehead which requires stitches
- Piper works full time at Punny Paw Pets and has insurance through her employer as well as Medicare coverage
- The Acie's have homeowner's insurance through Diggy Insurance
- Who is the primary payer for the stitching of the cuts to Piper's arm/head?
  - Diggy Insurance
- Piper has OV for hypertension same day, different time, who is the primary insurance?
  - EGHP because Piper has insurance through Punny Paw Pets
- Let's say the primary EGHP does not cover all the cost for the office visit (hypertension), who would pay secondary?
  - Medicare

# MSP Liability Scenario Two

- Poppy was out shopping at the local grocery store and while walking down the aisle, Poppy slips and falls fracturing her hip, ambulance is called and transports Poppy to the ED
- Poppy works for Punny Paw Pets, no EGHP, but is married to Pako and has Pako's EGHP benefits through Pia Pet Packaging employer
- Who is the primary payer for the injuries Poppy sustained at the grocery store?
  - Grocery store liability insurance
- Let's say time has lapsed (over 120 days) and the grocery store's liability insurer is not paying the medical claims related to the accident, what can Poppy do?
  - Ask medical providers to submit claims to medical insurance on a conditional basis until the case is settled with the grocery store's liability insurance
- Let's say the primary EGHP does not cover all the cost for the medical services, who would pay secondary?
  - Medicare

# Workers' Compensation

# Workers' Compensation Scenario One

- Dickey the dog walker from Snoopy Scoops has worked for the company for 20 years
- Dickey has group health plan insurance through his spouse's employer Punny Paw Pets
- Last week at work, like always, Dickey picked up a 50-pound bag of dog food, but this time Dickey ended up slipping a disc in his back, causing Dickey to be out of work
- Who is the primary payer for Dickey's claims relating to the back injury?
  - WC, because the injury was caused while working
- Let's say Dickey suffered a mild heart attack and had to be seen in the ED. Who would be responsible for that claim?
  - Employer group health plan through spouse LGHP Punny Paw Pets because the heart attack has nothing to do with the WC injury

Federal Black Lung

# Black Lung Scenario One

- Do you remember Poppy and Pako that are married. Poppy works at Punny Paw Pets and Pako works for Pia Pet Packaging and has EGHP benefits for both
- Prior to working at Pia, Pako was originally from West Virginia and worked in the coal mines
- Pako is now relocated and living in Maine with spouse Poppy
- Pako works and is covered under the employer health insurance plan
- Pako was recently diagnosed with black lung disease
- Who is the primary payer for treatment of Pako's black lung disease?
  - DOL, Federal Black Lung Program
- Let's say Pako went to the orthopedist for a problem with hip. Who would be primary in this case?
  - Any other medical related condition would be submitted to Pako's insurance, because Pako is covered under the employer health insurance plan through his employer. Medicare would be secondary

# Federal Veterans Administration

# Federal VA Scenario One

- Remember Rover that works for Snoopy Scoops? Well, Rover is also a military retired veteran and has Medicare coverage due to a disability
- Rover has been going to physical therapy at a Veteran's Administration facility for a short time for a recurring issue
- Who is the primary payer for services Rover receives at the VA?
  - VA
- What happens if the VA denies payment?
  - Medicare will consider allowance if services are a covered service
- Can Rover decide to get services at a non-VA facility instead of always going to the VA?
  - Yes

# Federal USFHP Scenario Two

- Remember Mr. Acie with the wobbly railing? Well, Mr. Acie is also a military retired veteran and has Uniform Services Family Health Plan (USFHP) and Medicare coverage
- Mr. Acie doctor's office submitted claims to both USFHP and Medicare and received duplicate payments
- Who is the primary payer for Mr. Acie's claims
  - USFHP
- How would the doctor's office refund NGS?
  - Clerical error reopening to void Medicare's payment as an overpayment
- Will Medicare pay secondary to USFHP?
  - No

# Bonus Scenario

# Bonus Scenario One

- Let's get back to Poppy and Pako. Poppy works at Punny Paw Pets, Pako works at Pia Pet Packaging. Both have EGHP coverage with Pako's EGHP and both have Medicare coverage under Part A and Part B
- Pako also has a retired plan from a company he worked for in Virginia and received retirement health insurance package for life
- Pako has been employed continuously with Pia Pet Packaging and has EGHP coverage
- How many payers could possibly pay on one of Pako's health care claims?
  - Three payers
- What number payer is Medicare?
  - Medicare would be number two payer
- List the order of payers?
  1. EGHP through Pia Pet Packaging
  2. Medicare or VA
  3. Pako's retired policy

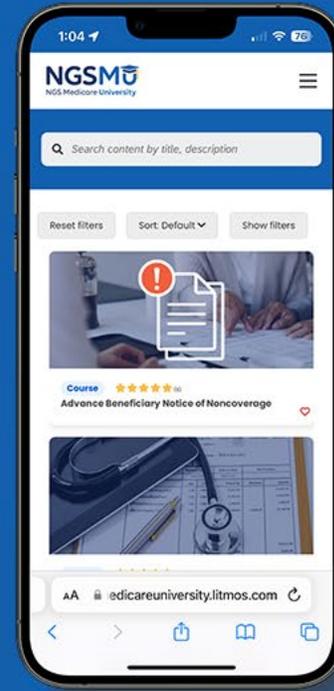
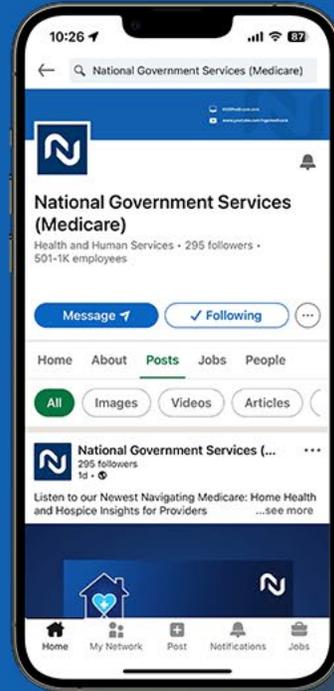
# References and Resources

- Under Claims and Appeals > [Medicare Secondary Payer](#)
- Under Claims and Appeals > Medicare Secondary Payer (MSP) > [Prepare and Submit an MSP claim](#)
  - [Medicare Secondary Payer Manual for Electronic Submitters/ANSI Specifications for 837P](#)
- MLN<sup>®</sup> Booklet: [Medicare Secondary Payer](#)
- [CMS IOM Publication 100-02, Medicare Benefit Policy Manual, Chapter 16](#)
- [CMS IOM Publication 100-05 Medicare Secondary Payer \(MSP\) Manual](#)
- [CMS IOM Publication 100-05 Medicare Secondary Payer \(MSP\) Manual, Chapter 2- MSP Provisions](#)



# Questions?

Thank you!



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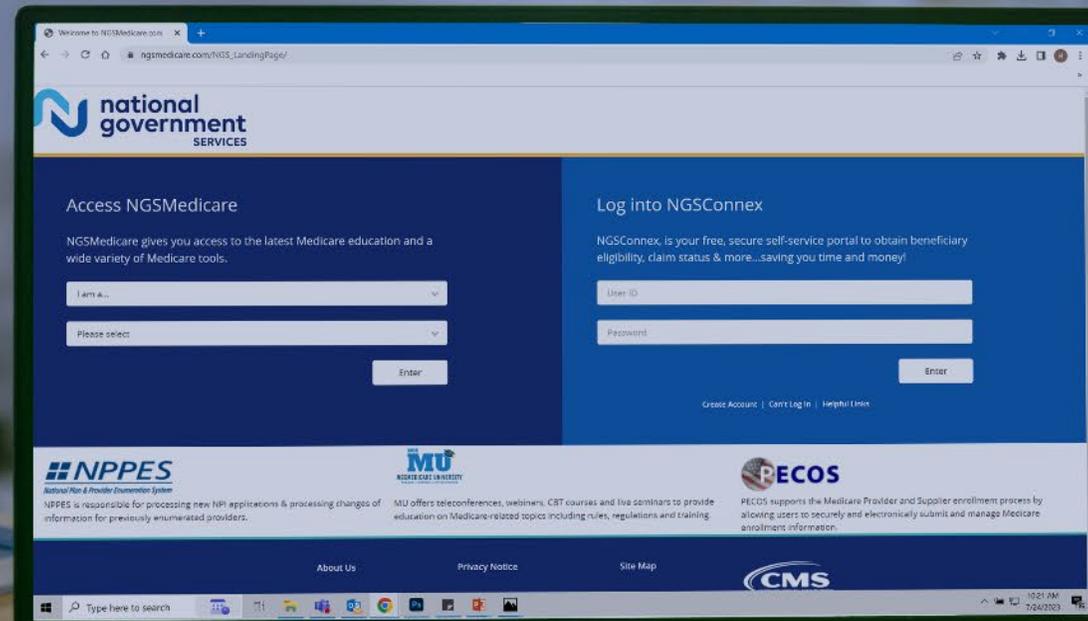


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