

# Medicare Secondary Payer – Claim Payment and Billing Beneficiaries

11/28/2023

**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.



## Disclaimer

National Government Services, Inc. has produced this material as an informational reference for providers furnishing services in our contract jurisdiction. National Government Services employees, agents, and staff make no representation, warranty, or guarantee that this compilation of Medicare information is error-free and will bear no responsibility or liability for the results or consequences of the use of this material. Although every reasonable effort has been made to assure the accuracy of the information within these pages at the time of publication, the Medicare Program is constantly changing, and it is the responsibility of each provider to remain abreast of the Medicare Program requirements. Any regulations, policies and/or guidelines cited in this publication are subject to change without further notice. Current Medicare regulations can be found on the [CMS website](#).

# Recording

- Attendees/providers are never permitted to record (tape record or any other method) our educational events. This applies to webinars, teleconferences, live events and any other type of National Government Services educational events.
- The objective of this webinar is to familiarize you with:
  - Which claim codes can cause errors in MSP payment
  - How to determine if Medicare will make MSP payment
  - Calculations we use to determine MSP payment amount
  - How to determine beneficiary responsibility for MSP claim



# Today's Presenters

---

## Provider Outreach and Education Consultants

- Christine Janiszczak
- Jan Wood
- Kathy Mersch





## Agenda

### 2023 MSP Education, Resources (Handout) and Reminders

Christine Janiszcak

### Prepare and Submit MSP Claims

Christine Janiszcak

### MSP Coding That Can Affect Claim Payment

Christine Janiszcak

### MSP Payment

Jan Wood

### Beneficiary Responsibility on MSP Claims

Jan Wood

### Questions and Answers

# 2023 MSP Education, Resources (Handout) and Reminders

# 2023 MSP Webinar Series

- May 2023
  - 5/4: MSP Fundamentals
- June 2023
  - 6/28: MSP Resources
- July 2023
  - 7/13: Identifying Primary Payers
  - 7/18: Setting Up & Correcting CWF Records
  - 7/20: MSP Rejections on Primary Claims
- August 2023
  - 8/8: Working Aged with EGHP MSP Provision
  - 8/10: Disabled with LGHP MSP Provision
  - 8/15: ESRD with EGHP MSP Provision
- September 2023
  - 9/6: No-Fault & Liability MSP Provisions
  - 9/20: Preparing & Submitting MSP Claims
  - 9/28: MSP Billing Examples
- October 2023
  - 10/4: Preparing & Submitting Conditional Claims
  - 10/11: Conditional Billing Examples
  - 10/18: MSP Claims That RTP
  - 10/25: Conditional Claims That RTP
- November 2023
  - 11/21: Adjustments Involving MSP
  - 11/28: Payment & Beneficiary Responsibility

# Additional MSP Webinars

- Virtual conferences
  - Twice a year
- Let's Chat About MSP Part A
  - Once a month
  - For all Part A providers including HHHs and FQHCs/RHCs
  - Ask MSP-related questions (no PHI)
  - Posted to [our website](#) but no presentation to download



# MSP Resources Handout

**Fact:** The more you know about MSP, the more easily you can achieve compliance with your MSP-related provider responsibilities

**Tips:** Review resources available to you and continue to learn about MSP!



# What is MSP?

- Beneficiary has coverage primary to Medicare
- Based on federal laws known as MSP provisions
  - Help determine proper order of payers
  - Make certain payers primary to Medicare
- Each has criteria/conditions that must be met
  - If all are met, services are subject to that provision making other insurer primary and Medicare secondary
  - If one or more are not met, services are not subject to that provision; Medicare is primary unless criteria/conditions of another provision are met

# Providers' MSP-Related Responsibilities Per Medicare Provider Agreement



## Determine if Medicare is primary payer for beneficiary's services

Identify payers that are primary to Medicare



## Submit claims to primary payer(s) before Medicare

May be more than one payer primary to Medicare



## Submit MSP claims to Medicare when required

Follow claim submission guidelines

# Identify Payers Primary to Medicare

- MSP screening process
  - Check for MSP record in CWF for beneficiary
    - ✓ For each service you render
  - Collect MSP information (ask questions about other insurance) from beneficiary or representative
    - ✓ For every IP admission or OP encounter, with some exceptions



# Check for MSP Records in CWF

- If MSP record(s) present, information includes:
  - MSP VC and primary payer code for each MSP provision
    - ✓ See next slide – Use MSP VC to report primary payer's payment on MSP claim
  - MSP effective date
  - MSP termination date, if applicable
  - Subscriber's name
  - Policy number
  - Patient's relationship to insured
  - Insurer's information

# MSP Provisions, Value Codes and Primary Payer Codes (Payer Code ID)

| MSP Provision/Medicare Exclusion  | MSP VC | Payer Code |
|---|--------|------------|
| Working aged, age 65 and over, EGHP, 20 or more employees                 | 12     | A          |
| ESRD with EGHP in 30-month coordination period                            | 13     | B          |
| No-Fault (automobile, other types including medical-payment) or Set-Aside | 14     | D or T     |
| Workers' Compensation or Set-Aside  | 15     | E or W     |
| Public Health Services  | 16     | F          |
| Federal Black Lung Program  | 41     | H          |
| Disabled, under age 65, LGHP, 100 or more employees                       | 43     | G          |
| Liability Insurance or Set-Aside  | 47     | L or S     |

# Collect MSP Information from Beneficiary or Representative

- Ask questions about MSP status using CMS' model questionnaire or your own compliant form
  - [CMS IOM Publication 100-05, Medicare Secondary Payer Manual, Chapter 3, Section 20.2.1](#)
  - Three parts with questions to be asked in sequence
    - ✓ Part I – Black Lung, WC, No-Fault (automobile and other types) and Liability
    - ✓ Part II – Medicare entitlement and employer GHPs
    - ✓ Part III – ESRD Medicare entitlement, if applicable (including dual entitlement)

# Collect Additional Billing Information

- Collect additional information, if applicable
  - Veterans who want to use VA coverage instead of Medicare
  - Beneficiaries receiving services covered by a Government Research Grant
  - Retirement dates of beneficiary and/or spouse/family member
    - ✓ Report on your claims with OC 18 for beneficiary's and OC 19 for spouse's retirement date
    - ✓ Policy for when beneficiary/spouse cannot recall: [CMS IOM Publication 100-05, Medicare Secondary Payer Manual, Chapter 3](#), Section 20.1, #4



# Determine Proper Order of Payers

- Determine which plan is primary, secondary or tertiary payer
  - Compare collected MSP information to information in MSP record
    - ✓ Medicare is primary when beneficiary
      - Has no other insurance/coverage
      - Has insurance/ coverage but it does not meet MSP provision criteria requirements
      - Had insurance/coverage that met MSP provision criteria requirements but it is no longer available
    - ✓ Other payer(s) is primary when beneficiary
      - Has insurance/coverage that meets MSP provision criteria requirements and it is still available



# Payers



## **If Medicare is primary**

Submit Medicare primary claim



## **If another payer is primary**

Submit claim to that payer first and Medicare second if required

May need to submit conditional claim to Medicare if primary payer does not pay for a valid reason or promptly (within 120 days; accidents only)



## **If more than one payer is primary**

Submit claims to those payers and to Medicare third (tertiary), etc.

# Code Medicare Claims Accurately

- When preparing/submitting Medicare primary claims
  - Report explanatory billing codes to indicate why Medicare is primary
    - ✓ [Prevent an MSP Rejection on a Medicare Primary Claim](#)
    - ✓ [Collect and Report Retirement Dates on Medicare Claims](#)
- When preparing/submitting MSP claims
  - Report all applicable MSP claim coding
    - ✓ [Prepare and Submit an MSP Claim](#)
- When preparing/submitting conditional claims
  - Report all applicable conditional claim coding
    - ✓ [Prepare and Submit an MSP Conditional Claim](#)

The background is a solid dark blue. On the right side, there are large, overlapping, semi-transparent blue geometric shapes, including a large 'S' or 'Z' like figure. On the left side, there is a pattern of small, light blue dots arranged in a grid-like fashion.

# Prepare and Submit MSP Claims



# Prepare and Submit MSP Claims

- Identify/bill appropriate primary payer
- Upon receipt of their RA, apply payment to account
- Prepare MSP claim (if required) using MSP coding AND CAGCs, CARCs and amounts from primary payer's RA
- Check if matching MSP record is in CWF
- Submit MSP claim using available option
- Upon receipt of our RA, apply payment/adjustments to account
- Maintain documentation

# Determine if You Must Submit MSP Claim

- When you receive primary payer's RA (835)
  - Apply their payment to beneficiary's account
  - Determine if primary payer paid in part or in full
    - ✓ Does your facility have contract with primary payer or is it obligated per law to accept a certain amount (expected amount) from them as full payment on claim?
      - If no contract/law, primary payer paid **in part** if their payment < charges
      - If no contract/law, primary payer paid **in full** if their payment = charges
      - If contract/law, primary payer paid **in part** if their payment < expected amount
      - If contract/law, primary payer paid **in full** if their payment = or > expected amount

# Determine if You Must Submit MSP Claim

- Submit MSP claim if
  - Primary payer paid in part
  - Primary payer paid in full and
    - ✓ Services are IP or HHH or
    - ✓ Services are OP and beneficiary has not met Part B deductible

# Prepare MSP Claim

- Complete claim in usual manner
  - Report covered TOB, covered days/charges, and usual claim coding
  - Move primary payer to first payer and Medicare to second payer
- Follow Medicare's usual requirements
  - Technical (e.g., file timely), medical (e.g. assessments), billing (e.g., billing frequency)
  - HHAs submit NOAs and hospices submit NOEs with Medicare as primary
- Report on claim
  - Applicable MSP billing codes from MSP Billing Code Table
    - ✓ [Prepare and Submit an MSP Claim](#)
    - ✓ Table has claim fields/codes for UB-04/CMS-1450 claim form, 837I claim and FISS DDE Claim Entry





# MSP Billing Code Table (Claim Fields)

| Claim Codes                        | UB-04/CMS-1450 Claim FLs | 837I Claim Fields | FISS DDE Page |
|------------------------------------|--------------------------|-------------------|---------------|
| Condition Codes                    | 18-28                    | 2300.HI (BG)      | 01            |
| Occurrence Codes and Dates         | 31-34                    | 2300.HI (BH)      | 01            |
| Value Codes and Amounts            | 39-41                    | 2300.HI (BE)      | 01            |
| Primary Payer Code (Payer Code ID) | N/A                      | N/A               | 03            |
| Primary Insurer Name               | 50A                      | 2320.SBR04        | 03            |



# MSP Billing Code Table (Claim Fields)

| Claim Codes                       | UB-04/CMS-1450 Claim FLs | 837I Claim Fields | FISS DDE Page |
|-----------------------------------|--------------------------|-------------------|---------------|
| Insured's Name                    | 58A                      | 2330A.NM104       | 05            |
| Patient's Relationship to Insured | 59A                      | 2320.SBR02        | 05            |
| Insured's Unique ID               | 60A                      | 2330A.NM109       | 05            |
| Insurance Group Name              | 61A                      | 2320.SBR04        | 05            |
| Insurance Group Number            | 62A                      | 2320.SBR03        | 05            |
| Insurance Address                 | 80 (Remarks)             | 2300.NTE          | 06            |

# Prepare MSP Claim (continued)

- Report MSP CAS information on claim found on primary payer's RA
  - CAGCs (identify general category of payment adjustment)
    - ✓ CO = contractual obligation, OA = other adjustment, PI = payer-initiated reduction, PR = patient responsibility
  - CARCS (explain why primary payer paid differently than billed) and amounts
    - ✓ Examples: 1 = deductible, 2 = coinsurance, 27 = expenses after coverage terminated, 45 = charges exceeded fee schedule or allowable amount, 96 = noncovered, 119 = benefit maximum reached
- Place in loops/segments of 87I or on page MAP1719 of FISS DDE claim
- Attach primary payer's RA if submitting hardcopy UB-04/CMS-1450 claim
- References: [X12](#), [CR6426](#) and [CR8486](#)

# Reporting MSP CAS Information in FISS DDE on Page 03 (Additional page MAP1719)

- To access from MAP1713, press F11/PF11
- Enter MSP CAS information from primary payer's RA
  - Two pages (for up to two payers); up to 20 entries on each page
    - ✓ On first page (primary payer "1"), enter data and press F6/PF6
    - ✓ On second page (primary payer "2"), enter data
      - **Paid date:** Paid date
      - **Paid amount:** Amount received from primary payer (Must = MSP VC amount and = charges – CAGC/CARC amounts)
      - **GRP:** CAGC(s)
      - **CARC:** CARC(s)
      - **AMT:** Dollar amount with each CAGC/CARC pair

# FISS DDE Claim Entry Page 03 (Additional) – MAP1719

|   |         |                                      |              |          |          |
|---|---------|--------------------------------------|--------------|----------|----------|
| MAP1719   | PAGE 03 | NATIONAL GOVERNMENT SERVICES, #13001 | UAT          | ACMFA561 | 06/11/18 |
| MXG9282   | SC      | INST CLAIM ENTRY                     |              | C201831F | 14:05:55 |
| HIC   |         | TOB 111 S/LOC S B0100 PROVIDER       |              |          |          |
| MSP PAYMENT INFORMATION   |         |                                      |              |          |          |
| RI:   |         |                                      |              |          |          |
| PRIMARY PAYER 1   |         | MSP PAYMENT INFORMATION              |              |          |          |
| PAID DATE:  |         |                                      | PAID AMOUNT: |          |          |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| GRP   | CARC    | AMT                                  | GRP          | CARC     | AMT      |
| PROCESS COMPLETED --- PLEASE CONTINUE   |         |                                      |              |          |          |
| PRESS PF3-EXIT PF5-BKWD PF6-FWD PF7-PREV PF8-NEXT PF9-UPDT PF10-LFT PF11-RGHT |         |                                      |              |          |          |

Tip: Any dollar amounts listed in this section, when added together, must equal total charges.



# FISS DDE Claim Entry Page 03 (Additional) – MAP1719

MAP1719 PAGE 03 NATIONAL GOVERNMENT SERVICES, #13001 UAT ACMFA561 06/11/18  
MXG9282 SC INST CLAIM ENTRY C201831F 14:05:55  
HIC TOB 111 S/LOC S B0100 PROVIDER  
MSP PAYMENT INFORMATION  
RI:

PRIMARY PAYER 2 MSP PAYMENT INFORMATION

| PAID DATE: |      |     | PAID AMOUNT: |      |     |
|------------|------|-----|--------------|------|-----|
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |
| GRP        | CARC | AMT | GRP          | CARC | AMT |

PROCESS COMPLETED --- PLEASE CONTINUE  
PRESS PF3-EXIT PF5-BKWD PF6-FWD PF7-PREV PF8-NEXT PF9-UPDT PF10-LFT PF11-RGHT



# Submit MSP Claim

- Submit claim using available options
  - UB-04/CMS-1450 claim (hardcopy)
    - ✓ You must have approved ASCA waiver on file
      - Visit [our website](#) > Resources > Forms > ASCA Waiver Request Form
    - ✓ Mail to Claims Dept. with primary payer's RA, EOB statement
      - Visit [our website](#) > Contact Us > Mailing Addresses > Claims
  - 837I claim
  - FISS DDE claim entry
- We use MSP CAS information on claim to calculate any MSP payment
- Maintain documentation

# MSP Coding That Can Affect Your Claim Payment

# MSP Claim Coding That Can Affect Claim Payment

- CC 77
  - Provider received full payment from primary payer
- MSP VC amount
  - Amount provider received from primary payer
- VC 44 and OTAF (obligated to accept as payment in full) amount
  - Amount you expected to receive from primary payer as payment in full for claim
- CAS codes (CAGCs/CARCs) and amounts from primary payer's RA

# Contractual Arrangement or Obligation Under Law

- Contract/law
  - Provider is obligated or required to accept certain amount from primary payer as full payment on claim
- Report on claim, as applicable, either
  - CC 77 or
  - VC 44 and OTAF amount
    - ✓ Do not report both codes on same claim

# Condition Code 77

- Must report when contract/law and you received expected amount
- May report when no contract/law and you received amount = charges
- Example
  - Scenario (contract/law)
    - ✓ Charges = \$5,000
    - ✓ Expected from primary payer = \$4,000
    - ✓ Received from primary payer = \$4,000
  - Report
    - ✓ Charges = \$5,000
    - ✓ MSP VC = \$4,000
    - ✓ CC 77

# MSP Value Codes and Amounts

- Report MSP VC for MSP provision with amount you received from primary payer toward charges
  - Ensure VC amount is accurate
    - ✓ Do not include
      - Payment toward noncovered services or CMS-1500 charges
      - Contract adjustment/write-off between you and primary payer



# VC 44 and OTAF Amount

- Report VC 44 and OTAF amount when
  - Contract/law with primary payer to receive certain amount as full payment and
    - ✓ You received < OTAF amount and < charges
- Do not report VC 44 and OTAF amount when
  - Contract/law with primary payer to receive certain amount as full payment and
    - ✓ You received < OTAF amount but = or > charges

# Did You Know

- By reporting VC 44 and OTAF amount on your MSP claim, you are asking us to pay difference between amount you expected to receive and amount you actually received from primary payer
  - Do not bill beneficiary for this amount, regardless of whether we make MSP payment

# VC 44 Example One – Claim Coding

- Scenario (contract/law with primary payer)
  - Charges = \$5,000
  - Expected from primary payer = \$4,000
  - Write-off = \$1,000
  - Received from primary payer = \$3,000 (they applied deductible = \$1,000)
- Report on MSP claim
  - Charges = \$5,000
  - MSP VC = \$3,000
  - VC 44 = \$4,000
  - CAS coding
    - ✓ Primary payer paid = \$3,000
    - ✓ CO 45 = \$1,000 and PR 1 = \$1,000

# VC 44 Example Two – Claim Coding

- Scenario (contract/law with primary payer)
  - Charges = \$500
  - Expected from primary payer = \$400
  - Write-off = \$100
  - Received from primary payer = \$300 (they applied coinsurance = \$100)
- Report on MSP claim
  - Charges = \$500
  - MSP VC = \$300
  - VC 44 = \$400
  - CAS coding
    - ✓ Primary payer paid = \$300
    - ✓ CO 45 = \$100, PR 2 = \$100

# VC 44 Example Three – Claim Coding

- Scenario (contract/law with primary payer)
  - Charges = \$4,500
  - Expected from primary payer = \$4,000
  - Write-off = \$500
  - Received from primary payer = \$3,500 (they applied co-payment = \$500)
- Report on MSP claim
  - Charges = \$4,500
  - MSP VC = \$3,500
  - VC 44 = \$4,000
  - CAS coding
    - ✓ Primary payer paid = \$3,500
    - ✓ CO 45 = \$500, PR 3 = \$500

# VC 44 Example Four – Claim Coding

- Scenario (contract/law with primary payer)
  - Charges = \$4,500
  - Expected from primary payer = \$6,000
  - Write-off = None
  - Received from primary payer = \$4,500 (they applied deductible = \$1,500)
- Report on MSP claim
  - Charges = \$4,500
  - MSP VC = \$4,500 (should not report VC 44 = \$6,000)
  - CAS coding
    - ✓ Primary payer paid = \$4,500



# We Verify VC 44 OTAF Amount

- Calculation of VC 44 OTAF amount
  - Charges – contract adjustments
- For claim to go to MSP pay module
  - VC 44 amount must = (Charges – CAGC CO amounts)
    - ✓ We compare VC 44 amount to charges and CAGC CO amounts
    - ✓ We reject claim with reason code 33981 if VC 44 amount does not = (Charges – CAGC CO amounts)
      - VC 44 amount and “MSP calculated OTAF amount” (Charges – CAGC CO amounts) are not equal; resubmit corrected claim

The background is a solid dark blue. On the right side, there are large, overlapping, semi-transparent blue geometric shapes, including a large 'S' or 'R' curve and a diagonal band. In the bottom-left corner, there is a pattern of small, light blue dots arranged in a grid-like fashion.

MSP Payment

# Looking for Paid Claims

- View MSP claims in FISS/DDE once they are submitted and accepted
  - MSP claims in S/L(s)
    - ✓ TB9997 = RTP (returned; not processed)
    - ✓ RB9997 = Rejected (processed but not paid)
    - ✓ PB9997 = Processed (paid but paid amount may be zero)
      - MSP claim may have been considered (by MSP pay module) to be fully paid by primary payer and no MSP payment was due
      - Has assigned reason code
- View processed claims on our RA

# Medicare Can Pay on MSP Claim if...

- Primary payer's payment for charges is
  - < charges, and
  - < total amount payable by Medicare (in absence of primary payer's payment), and
  - You do not accept, or are not obligated to accept, primary payer's payment as full payment

# Medicare Cannot Pay on MSP Claim if...

- Primary payer's payment for charges is
  - = or > charges or
  - = or > total amount payable by Medicare (without regard to our deductible or coinsurance), or
  - You accept, or are obligated to accept, primary payer's payment as full payment and you receive this amount

# Claim Level vs. Line Level MSP Claims

- Most MSP claims are paid at claim level
- Examples in this presentation are assumed to be paid at claim level
- OPPS claims and HH LUPA claims are paid at line level



# MSP Payment Amount

- MSP payment amount is lowest of
  - Gross amount payable by Medicare – (Medicare deductible + coinsurance)
  - Gross amount payable by Medicare – primary payer's payment
  - Charges or amount < charges you are OTAF (VC 44 amount) – (Medicare deductible + coinsurance)
  - Charges or amount < charges you are OTAF (VC 44 amount) – primary payer's payment
- Reference
  - [CMS IOM Publication 100-05, Medicare Secondary Payer Manual, Chapter 5, Section 40.8.2](#)

# Using VC 44 Amount (OTAF) in Payment Calculations

- When you report VC 44 and OTAF amount
  - We use OTAF amount as your charges
    - ✓ When coding MSP claim, report VC 44 and OTAF amount when primary payer pays < OTAF amount and < charges
- When you do not report VC 44
  - We determine OTAF amount and then use that amount as your charges
    - ✓  $\text{OTAF amount} = \text{Charges} - \text{CAGC CO amount(s)}$

# Revisiting VC 44 Example One to Show MSP Payment Amount = \$500

- Scenario (contract/law with primary payer)
  - Charges = \$5,000
  - Expected from primary payer = \$4,000
  - Write-off = \$1,000
  - Received from primary payer = \$3,000 (they applied deductible = \$1,000)
- Assume
  - IP hospital claim, gross amount payable by Medicare = \$3,500 and no Part A deductible or coinsurance applied
- MSP payment is lowest of
  - $\$3,500 - \$0 = \$3,500$
  - $\$3,500 - \$3,000 = \$500$
  - $\$4,000 - \$0 = \$4,000$
  - $\$4,000 - \$3,000 = \$1,000$

# Revisiting VC 44 Example Two to Show MSP Payment Amount = \$50

- Scenario (contract/law with primary payer)
  - Charges = \$500
  - Expected from primary payer = \$400
  - Write-off = \$100
  - Received from primary payer = \$300 (they applied coinsurance = \$100)
- Assume
  - OP (not OPPS), gross amount payable by Medicare = \$350, Part B deductible of \$25 and Part B coinsurance of \$75 = Total deductible/coinsurance applied = \$100
- MSP payment is lowest of
  - $\$350 - \$100 = \$250$
  - $\$350 - \$300 = \$50$
  - $\$400 - \$100 = \$300$
  - $\$400 - \$300 = \$100$

# Revisiting VC 44 Example Three to Show MSP Payment Amount = \$300

- Scenario (contract/law with primary payer)
  - Charges = \$4,500
  - Expected from primary payer = \$4,000
  - Write-off = \$500
  - Received from primary payer = \$3,500 (they applied co-payment = \$500)
- Assume
  - IP SNF, gross amount payable by Medicare = \$3,800, no Part A deductible or coinsurance applied
- MSP payment is lowest of
  - $\$3,800 - \$0 = \$3,800$
  - $\$3,800 - \$3,500 = \$300$
  - $\$4,000 - \$0 = \$4,000$
  - $\$4,000 - \$3,500 = \$500$

# Revisiting VC 44 Example Four to Show MSP Payment Amount = \$0

- Scenario (contract/law with primary payer)
  - Charges = \$4,500
  - Expected from primary payer = \$6,000
  - Write-off = None
  - Received from primary payer = \$4,500 (they applied deductible = \$1,500)
- Assume
  - IP hospital, gross amount payable by Medicare = \$7,000, Part A deductible = \$1600 applied but no coinsurance applied
- MSP payment is lowest of
  - $\$7,000 - \$1,600 = \$5,400$
  - $\$7,000 - \$4,500 = \$2,500$
  - $\$4,500 - \$1,600 = \$2,900$
  - **$\$4,500 - \$4,500 = \$0$**

# You May Contact our PCC if You Believe Your MSP Payment Amount Is Incorrect

- Be prepared
  - Have Medicare's and primary payer's RAs available
  - Be able to provide
    - ✓ Coding you reported on claim
      - MSP VC and VC 44 amount(s) and whether or not you used CC 77
      - CAS coding (CAGCs, CARCs and amounts)
    - ✓ Your payment calculation
- We may need to investigate

# Beneficiary Responsibility on MSP Claims



# Did You Know

- Amount we pay as secondary on MSP claim has no affect on amount beneficiary owes provider for that claim

# Beneficiary Responsibility on Medicare Claims

- Beneficiaries are responsible for
  - Medicare deductible
  - Medicare coinsurance
  - Noncovered services
- We apply beneficiary responsibility to all claims including MSP claims

# Beneficiary Responsibility on MSP Claims

- Primary payer's payment is used to satisfy beneficiary's responsibility
  - Thus, beneficiary responsibility is
    - ✓ Medicare deductible + Medicare coinsurance – primary payer's payment and
    - ✓ Any services Medicare does not cover unless primary payer paid for them
- References
  - [CMS IOM Publication 100-05, Medicare Secondary Payer Manual](#)
    - ✓ Chapter 1, Section 40
    - ✓ Chapter 3, Section 40.1.1
    - ✓ Chapter 5, Section 40.8

# Do Not Bill Beneficiaries When Not Appropriate

- Do not bill beneficiaries
  - For amount(s) primary payer applied toward their plan deductible, coinsurance and/or co-payment
  - If primary payer's payment = or > Medicare deductible and/or coinsurance applied to claim
    - ✓ Check our RA for beneficiary responsibility

# Revisiting VC 44 Example One to Show Beneficiary Responsibility = \$0

- Scenario (contract/law)
  - Charges = \$5,000
  - Expected from primary payer = \$4,000
  - Write-off = \$1,000
  - Received from primary payer = \$3,000 (they applied deductible = \$1,000)
  - IP hospital claim
    - ✓ Medicare gross amount payable = \$3,500, Part A deductible or coinsurance applied = None
    - ✓ MSP payment = \$500
- Beneficiary responsibility on MSP claim
  - None since none applied

# Revisiting VC 44 Example Two to Show Beneficiary Responsibility = \$0

- Scenario (contract/law)
  - Charges
  - Expected from primary payer = \$400
  - Write-off = \$100
  - Received from primary payer = \$300 (they applied coinsurance = \$100)
  - OP facility (not OPPS) claim
    - ✓ Medicare gross amount payable = \$350, Part B deductible and coinsurance applied = \$100
    - ✓ MSP payment = \$50
- Beneficiary responsibility on MSP claim
  - None since \$300 > \$100

# Revisiting VC 44 Example Three to Show Beneficiary Responsibility = \$0

- Scenario (contract/law)
  - Charges = \$4,500
  - Expected from primary payer = \$4,000
  - Write-off = \$500
  - Received from primary payer = \$3,500 (they applied co-payment = \$500)
  - IP SNF claim
    - ✓ Medicare gross amount payable = \$3,800, Part A coinsurance applied = None
    - ✓ MSP payment = \$300
- Beneficiary responsibility on MSP claim
  - None since none applied

# Revisiting VC 44 Example Four to Show Beneficiary Responsibility = \$0

- Scenario (contract/law)
  - Charges = \$4,500
  - Expected from primary payer = \$6,000
  - Write-off = None
  - Received from primary payer = \$4,500 (they applied deductible = \$1,500)
  - IP hospital claim
    - ✓ Medicare gross amount payable = \$7,000, Part A deductible applied = \$1,600 (no coinsurance)
    - ✓ MSP payment = \$0
- Beneficiary responsibility on MSP claim
  - None since \$4,500 > \$1,600



# Benefit Day Utilization

- If Medicare makes secondary payment
  - Benefit days are utilized accordingly
  - System determines number of days to deduct
- If Medicare does not make MSP payment
  - No benefit days are utilized
- Reference
  - [CMS IOM Publication 100-05, Medicare Secondary Payer Manual](#), Chapter 5, Section 40.8.8

# Scenario and Polling Question One

- Scenario (contract/law)
  - Charges = \$7,000
  - Expected from primary payer = \$5,000 and received = \$4,000 (they applied deductible = \$1,000)
  - Medicare applied deductible and coinsurance = \$1,500
- Does beneficiary have responsibility for claim?
  - Yes
  - No

# Scenario and Polling Question Two

- Scenario (contract/law)
  - Charges = \$2,000
  - Expected from primary payer = \$1,800 and received = \$300 (they applied deductible = \$1,500)
  - Medicare Applied deductible and coinsurance = \$400
- Does beneficiary have responsibility for claim?
  - Yes
  - No

# What You Should Do Now

- Review MSP Resources handout
- Share information with staff
- Continue to learn more about MSP
- Develop and implement policies that ensure you meet your MSP responsibilities
- Submit accurate claims so we can make accurate payment
- Review our website articles
  - [Determine if Medicare will Make an MSP Payment](#)
  - [Determine Beneficiary Responsibility on an MSP Claim](#)
- Check your MSP claim payments
- Bill beneficiaries accurately

# Questions?

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

Connect with us  
on Social Media



[YouTube Channel](#)

Educational Videos

medicare **mobile**

Text NEWS to 37702; Text GAMES to 37702



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

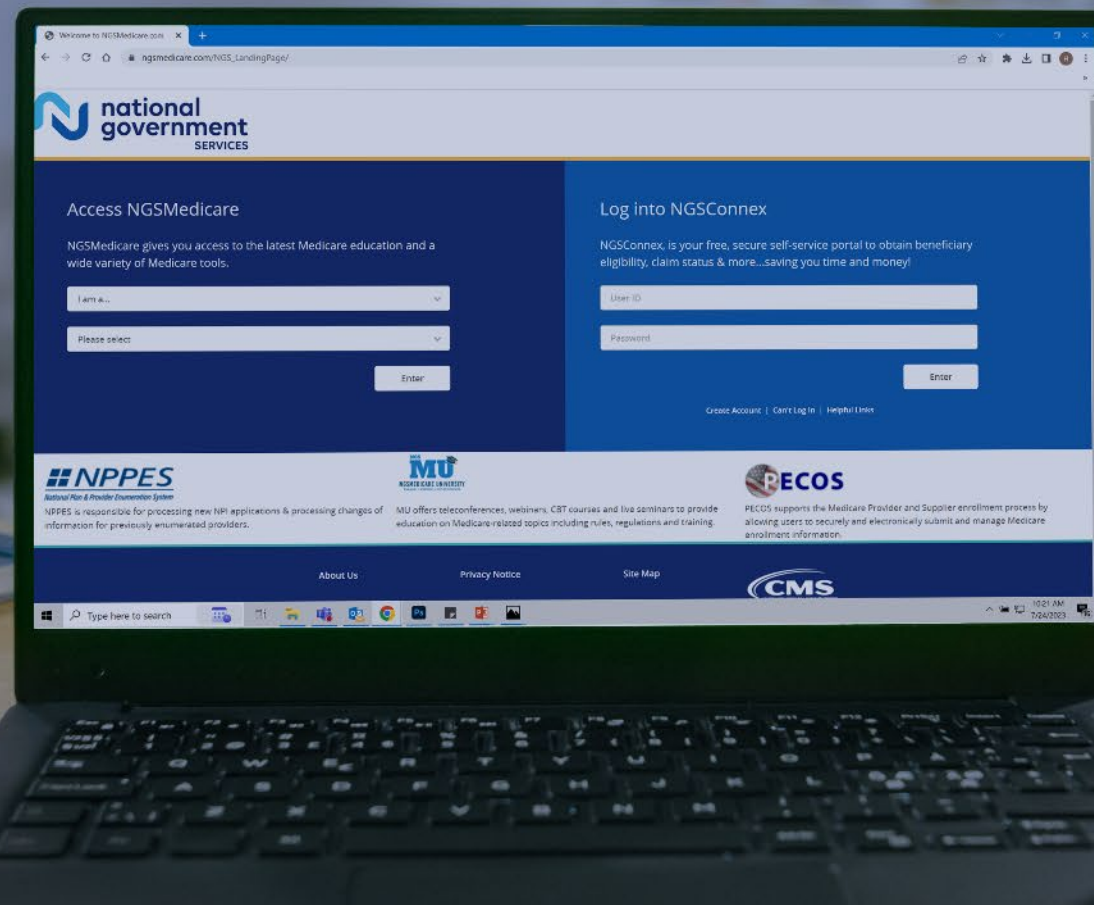
Self-paced online learning



[LinkedIn](#)

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



[Sign up for Email Updates](#)

Subscribe for Email updates at the top of any NGS Medicare.com webpage to stay informed of news



# Your Feedback Matters

- We rely on your feedback
  - When you visit our [events page](#), please click on the banner and share your thoughts with us about the education we provide you.
  - The survey only takes a few minutes of your time, and lets us know:
    - ✓ What we are doing right
    - ✓ What education you are looking for
    - ✓ Educational topics you would like to see continued
    - ✓ Where we can improve

[Click Here to Share Your  
Education Thoughts With Us](#)