

Medicare Part B 2024
Spring/Summer Virtual Conference
Mastering Medicare: Tuesday Tutorials

Medicare Secondary Payer Provisions Group and Nongroup Health Plans

6/18/2024

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Today's Presenters

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Objective

After this session you will have a better understanding of the MSP group and nongroup health plan provision guidelines to ensure your claims are being submitted to the Medicare program appropriately.



Agenda

- MSP Group Health Plans (GHP)
 - Working Aged (type 12)
 - Disability (type 43)
 - ESRD (type 13)
- MSP Nongroup Health Plans (NGHP)
 - Liability
 - Workers' Compensation
- Government Programs
 - Federal Black Lung
 - Veterans Administration
- Resources

MSP Group Health Plans (GHP)

Steps to Take



Provider Responsibilities

Ask Medicare patients if there's other insurance

- [Your Billing Responsibilities](#)

Submit MSP claims with the required data

- [Electronic Data Interchange: Medicare Secondary Payer ANSI Specifications for 837P](#)



Defining Terms

MSP: Medicare Secondary Payer

- Situations when Medicare is not primary claim payer

GHP: Group Health Plan

- Health coverage based on employment benefits of beneficiaries and/or spouse



Who Pays First?

GHP insurance may be primary

- Working Aged (12)
- Disabled (43)
- ESRD (13)

Medicare will process as secondary

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

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

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

MSP Nongroup Health Plans (NGHP)

What You Need to Know



Provider Responsibilities

Ask Medicare patients if there's other insurance

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Who Pays First?

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Steps You Need to Take

- Ask Medicare patient if service(s) related to injury or illness that resulted from accident or other incident which another party is responsible
- Obtain name, address and policy number of auto/no-fault, liability/WC insurance or other insurance responsible for payment of medical expenses
 - [CMS Internet-Only Manual Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 3 - MSP Provider, Physician, and other Supplier Billing Requirements, Section 20.2.1](#)
- Submit accident-related claim(s) to other insurer before submitting claim(s) to Medicare

Auto/No-Fault (Type 14)

- Medicare may be secondary payer to auto/no-fault insurance
 - Primary payment made for medical expenses for injuries sustained on property or premises of insured, or in use, occupancy, or operation of an auto, regardless of who was responsible for causing accident
 - Auto/No-fault insurance includes
 - Automobile
 - Homeowners'
 - Commercial
 - Medicare will pay conditional when auto/no-fault insurer will not pay promptly
 - Promptly means payment within 120 days after receipt of claim
- Example of auto/no-fault insurance
 - Individual or driver has \$5,000 medical payments coverage on policy
 - \$5,000 is considered auto/no-fault insurance and primary to Medicare

Diagnosis Codes

- Is it related or not?
 - Diagnosis may be related even if code is not an exact match, because it may be in same range or family of diagnosis codes
 - Family of diagnosis means first three digits are same
 - Refer to current coding manuals for more details

Claim Denials

- If auto/no-fault, liability, or WC insurance denies payment
 - Proof that claim was denied
 - Medicare will pay for Medicare-covered items and services as appropriate
 - Submit claim with request for conditional Medicare payment
 - Conditional payment policy and billing procedures for liability, auto/no-fault and WC MSP Claims
- References
 - [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 3 - MSP Provider, Physician, and Other Supplier Billing](#)
 - [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 5 – Contractor MSP Claims Prepayment Processing](#)

Liability (Type 47)

- Medicare may be secondary payer to liability insurance
 - Primary payment based on legal liability for injuries, or damages to property
 - Auto liability and uninsured/underinsured motorist
 - Homeowners'
 - Product/Malpractice
 - Wrongful death
- Medicare will pay conditional when liability insurer will not pay promptly
 - Promptly means payment within 120 days after the earlier of
 - Date claim is filed with insurer or the lien is filed; or
 - Date service was furnished or date of discharge for inpatient hospital
- Example of liability insurance
 - Beneficiary injured in an auto accident and files claim against alleged responsible party and receives payment
 - Medicare is secondary to liability insurance payment

Workers' Compensation (Type 15)

- Medicare is secondary payer to workers' compensation (WC) benefits
 - When services rendered are related to injury, illness or disease sustained at work
 - Either under current or past employment
 - Medicare will pay conditional when a WC insurer will not pay promptly
 - Promptly means payment within 120 days after receipt of the claim
- Example of WC
 - Warehouse worker suffers a back injury while working
 - All related medical bills are the primary payment responsibility of the WC insurer

Workers' Compensation Medicare Set-Aside Arrangements

- WC-related settlement, judgment or award used to pay for future medical, prescription drug or expenses related to WC injury, illness or disease
- Amount determined on case-by-case basis by CMS
- Medicare may not pay until
 - Set-aside amount is exhausted
 - Set-aside amount is accurately accounted for by administrator of WC set-aside arrangement
- Medicare will not pay conditionally for related diagnosis
- After Workers' Compensation Medicare Set-Aside Arrangements amount is exhausted, Medicare will reimburse treatment related to WC
- CMS References
 - [Workers' Compensation Medicare Set Aside Arrangements](#)
 - [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 3 - MSP Provider, Physician, and Other Supplier Billing, Section 30.2.2.1](#)

Conditional Payment

- Conditional payment is payment made by Medicare when there is evidence that payment has not been made or cannot reasonably be expected to be made promptly
- Avoid imposing financial hardship on provider/beneficiary while awaiting decision in contested case
- Payments are made “on condition” that Medicare will be refunded if payment is made
 - Medicare has right to recover any conditional payments
- Conditional payment may be made if both are true
 - Liability (including self-insurance), auto/no-fault, or WC insurer is responsible for payment; and
 - Claim is not expected to be paid promptly

Prompt Period

- Liability insurance (including self-insurance) payment is not made within 120 days after earlier of
 - Date liability claim is filed with insurer/or lien is filed against potential liability settlement
 - Date service was furnished
 - Date of discharge for inpatient hospital claims
- Claim not paid promptly by liability, auto/no-fault or workers' compensation
 - You may submit claim to Medicare conditionally
- Auto/no-fault and workers' compensation claims means payment within 120 days after receipt of claim, or when there is no evidence to contrary, date of service or discharge date

Conditional Payment Data Requirements

| Type of Insurance | CAS | Insurance Type Code 2320 SBR05 from previous payer(s) | Claim Filing Indicator (2320 SBR09) | Paid Amount (2320 AMT or 2430 SVD02) | Condition Code (2300 HI) | Date of Accident |
|-----------------------|----------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------------------------------------------|
| No-Fault/Liability | 2320 or 2430 – valid information why NGHP or GHP did not make payment Data | 14 / 47 | AM or LM | \$0.00 | | 2300 DTP 01 through 03 and 2300 CLM 11-1 through 11-3 with value AA or OA |
| Workers' Compensation | 2320 or 2430 – valid information why NGHP or GHP did not make payment | 15 | WC | \$0.00 | 02 – Condition is Employment Related | 2300 DTP 01 through 03 and 2300 CLM 11-1 through or 11-3 with value EM |

Government Programs

Federal Black Lung Program

- Beneficiary entitled to medical benefits under FBLP
 - Program designed for individuals diagnosed with black lung disease caused by coal mining
 - Black lung benefits are considered WC benefits
 - [U.S. Department of Labor](#)
- If diagnosis is related to black lung
 - Submit claim to DOL
- If diagnosis is not related to black lung
 - Submit claim to Medicare

Veterans Administration (VA)

- Veterans [VA benefits for service members](#) who have Medicare and VA benefits may choose Medicare or VA for covered benefits
 - Decision must be made each time beneficiary receives health care services
- To receive VA services, beneficiary must
 - Go to VA facility or
 - Have VA authorize services in non-VA facility

US Family Health Plans

- US Family Health Plan is a contracted TRICARE program under which the TRICARE Prime benefit is offered to eligible military beneficiaries
- Requires beneficiaries to enroll and is offered through six participating non-profit plans in different regions of the country
- US Family Health Plan of Southern New England (Brighton Marine)
 - Serving CT-MA-RI
- Martin's Point Health Care US Family Health Plan
 - Serving ME-NH-NY-VT
- USFHP Saint Vincent
 - Serving Western CT- NY (Nassau and Suffolk Counties)

Resources

NGS MSP Resources

Resources > Claims and Appeals

MEDICARE SECONDARY PAYER (MSP)

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

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- [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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MEDICARE SECONDARY PAYER PAYMENT CALCULATOR

| | |
|-------------------------------------------------------------------|------------------------------------|
| Enter provider billed amount \$: * | <input type="text"/> |
| Enter Medicare's allowed amount \$: * | <input type="text"/> |
| What is the Medicare reimbursement percentage? (80% or 100%) * | <input type="text" value="..."/> ▼ |
| Enter primary allowed amount \$: * | <input type="text"/> |
| Enter primary paid amount \$: * | <input type="text"/> |
| Enter OTAF amount \$ (if no OTAF, leave blank): | <input type="text"/> |
| <div><div>Calculate</div><div>Reset</div></div> | |

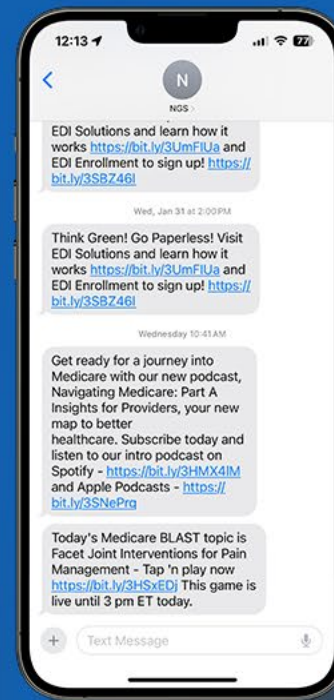
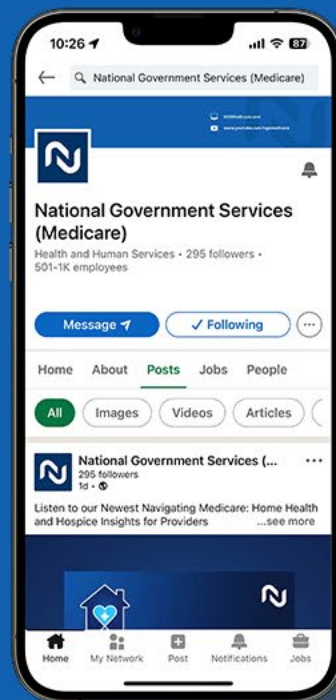
CMS Resources

- [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](#)
 - Section 10: Working Aged
 - Section 20: End-Stage Renal Disease
 - Section 30: Disabled
 - Section 40: Liability Insurance
 - Section 50: Workers' Compensation
 - Section 60: No-Fault Insurance
- [CMS IOM Publication 100-05, Medicare Secondary Payer \(MSP\) Manual, Chapter 3, Section 20.2.1- Model Admission Questions to Ask Medicare Beneficiaries](#)



Questions?

Thank you!



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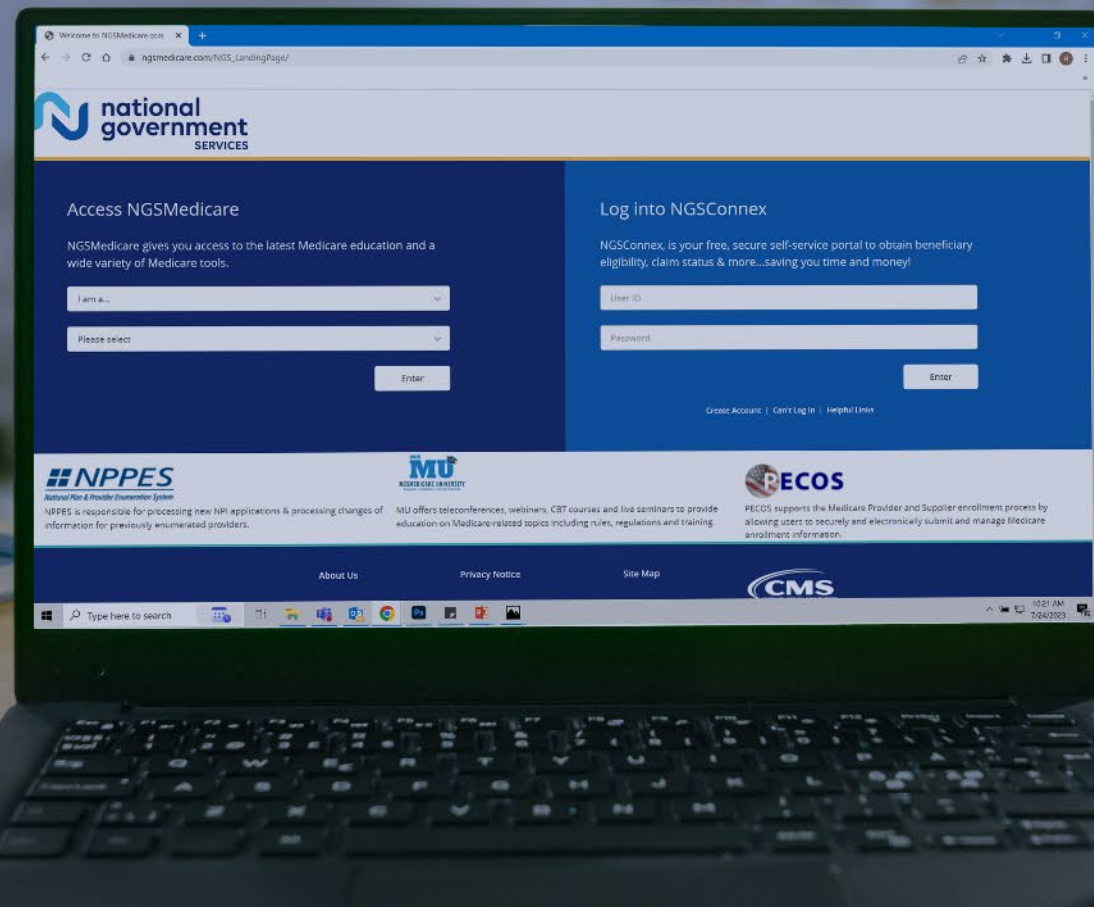


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