

Medicare Secondary Payer: The Fundamentals Part 1

5/28/2025

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Objectives

Introduce you to fundamentals (basics) of MSP by providing high-level overview of MSP provisions

Demonstrate where you can find references and resources to help you learn more about MSP provisions

Today's Presenters

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Agenda

[MSP Overview](#)

[GHP MSP Provisions](#)

[Non-GHP MSP Provisions](#)

[References and Resources](#)

[Questions](#)

MSP Overview

What Is MSP?

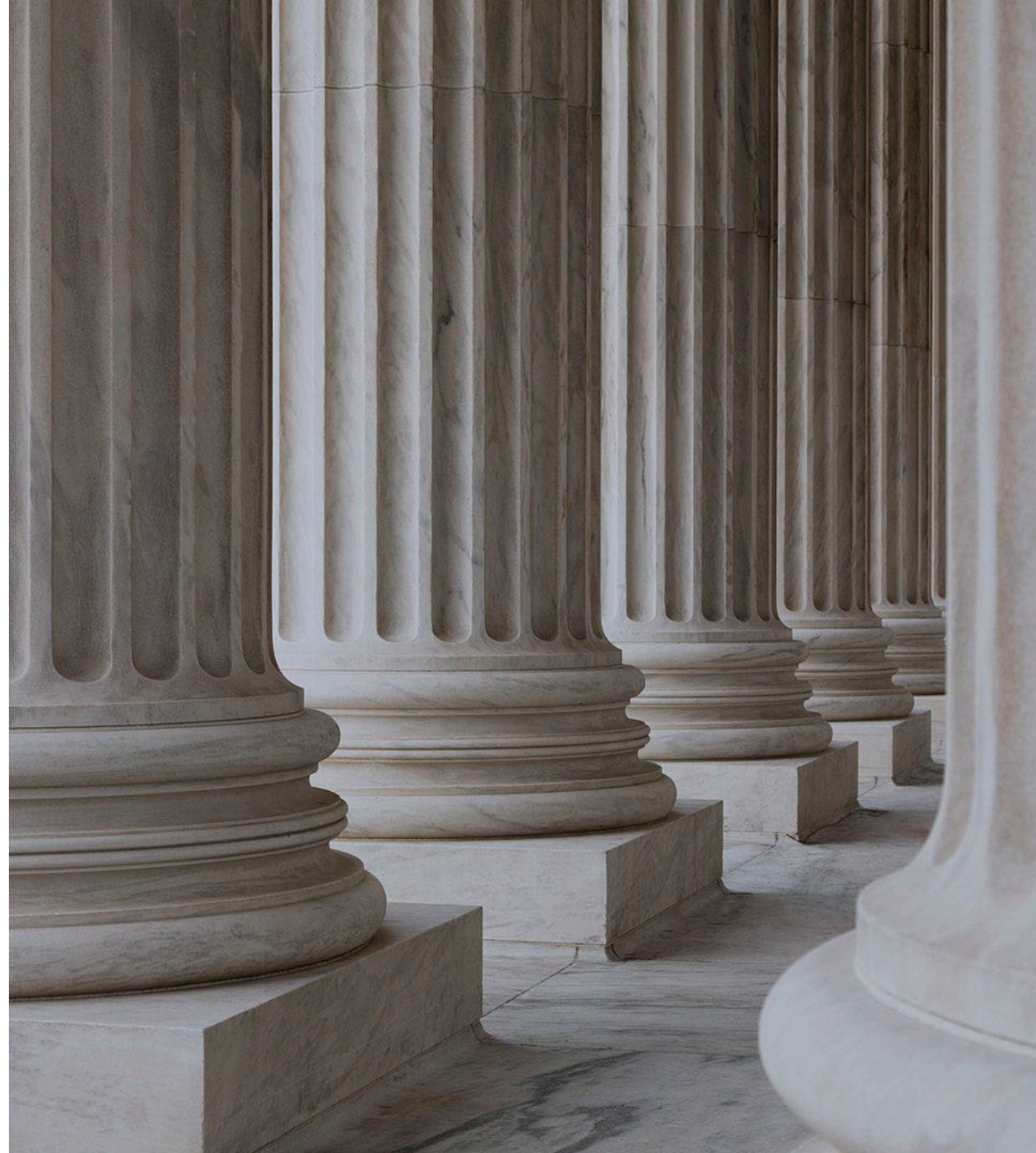
- MSP refers to situations in which Medicare does not have primary responsibility for making payment for beneficiary's health care claims
 - Beneficiary has other coverage/insurance
 - Considered primary to Medicare per federal law
 - Must process claims for services rendered to beneficiary before Medicare does
- Term “MSP” like term “COB”
 - Both describe rules used to determine which payer should pay first
 - Medicare uses MSP provisions

MSP History

- In 1980, Congress began to enact series of provisions that made Medicare secondary payer to certain other payers
 - Known as MSP provisions
 - Resulted in more situations in which Medicare not primary
 - Shifted costs from Medicare to private sources

MSP Provisions

- Based on federal laws
- Help determine proper order of payers
- Categorized
 - GHP
 - Non-GHP
- Each has its own set of criteria



MSP Provisions, MSP VCs and Payer Codes

MSP Provision	MSP VC	Payer Code
Working aged, 65 and over, working/spouse working with EGHP, 20 or more employees	12	A
ESRD with EGHP, current/former employer, in 30-month coordination period	13	B
No-Fault (automobile/other types including medical-payment) or No-Fault Set Aside	14	D or T
WC or WC Set Aside	15	E or W
Public Health Services or other Federal agency (exclusion to Medicare)	16	F
Federal Black Lung Program	41	H
Disabled, under 65, working/family member working with LGHP, 100 or more employees	43	G
Liability Insurance or Liability Set Aside	47	L or S

MSP Provisions – GHP

- Related to beneficiary's Medicare entitlement reason
 - Working Aged with EGHP MSP provision
 - Beneficiaries age 65 or older
 - Disabled with LGHP MSP provision
 - Beneficiaries under age 65 and disabled
 - ESRD with EGHP MSP provision
 - Beneficiaries of any age with ESRD
- Review [CMS' CBT Course: Introduction to Medicare](#)
 - Background and history on Medicare
 - Explanation of entitlement, including age, disability and ESRD

MSP Provisions – Non-GHP

- Not related to beneficiary's Medicare entitlement reason
 - Federal Black Lung Program
 - Government research grants, governmental entities, VA
 - **Considered “exclusions” to Medicare coverage; not MSP**
 - Medicare secondary payment may not be permitted
 - WC
 - No-fault and medical-payment insurance
 - All types including automobile and premises
 - Liability Insurance
 - All types including self-insurance

MSP Provision Conditions/Criteria

- Each provision has own set of conditions/criteria
 - If all within specific provision met
 - Beneficiary's services subject to that provision
 - Medicare prohibited from paying for these services if "payment was made or can reasonably be expected to be made promptly" by primary payer
 - Medicare secondary
 - If one or more within specific provision not met
 - Beneficiary's services not subject to that provision
 - Medicare primary unless criteria of another MSP provision met



Medicare Facts

- Other coverage or insurance available to beneficiary may or may not be primary to Medicare for his/her services
- MAO plans not primary to Medicare
 - Replace FFS Medicare

GHP MSP Provisions



Current Employment Status

- Retired person not considered employed or to have current employment status
 - For purposes of Working Aged with EGHP and Disabled with LGHP MSP provisions
 - References:
 - CMS IOM Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 10](#), Understanding MSP: Definitions and Important Terminologies
 - [Chapter 2, Section 10.5](#), Rules Defining Employees Covered by GHPs and Large Group Health Plans (LGHPs)

Working Aged Beneficiary With EGHP MSP Provision

- EGHP primary to Medicare if all five basic criteria met:
 - Beneficiary age 65 or over
 - Beneficiary enrolled in Medicare Part A
 - Beneficiary or spouse (of any age) employed/current employment status
 - Beneficiary enrolled in GHP through that employer
 - Employer employs 20 or more full and/or part-time employees
 - Single employer employs 20 or more employees
 - Multi- or multiple-employer; at least one employer employs 20 or more employees (unless employer filed small employer exception)

Disabled Beneficiary With LGHP MSP Provision

- LGHP primary to Medicare if all five basic criteria met:
 - Beneficiary under age 65
 - Beneficiary enrolled in Medicare Part A
 - Beneficiary or family member (of any age) employed/current employment status
 - Beneficiary enrolled in LGHP through that employer
 - Employer employs 100 or more full- and/or part-time employees
 - Single employer employs 100 or more employees
 - Multi- or multiple-employer; at least one employer employs 100 or more employees

ESRD Beneficiary With EGHP MSP Provision

- EGHP primary to Medicare if all three basic criteria met:
 - Beneficiary eligible for or enrolled in Medicare based on ESRD
 - Beneficiary enrolled in GHP through current/former employer (of any size) or through current/former employer of a family member
 - Beneficiary in 30-month MSP/ESRD coordination period
 - During coordination period, EGHP primary; Medicare secondary
 - Coordination period begins with date beneficiary eligible for Medicare based on ESRD and ends at completion of 30-months



Dual Entitlement to Medicare – ESRD and Age or Disability

- Beneficiary eligible for or entitled to Medicare for more than one reason
 - ESRD, then disability or age
 - Disability or age, then ESRD
- To determine primary plan, apply dual entitlement rule
 - If Medicare primary before dual entitlement, we remain primary after
 - If EGHP primary before dual entitlement, it remains primary after (rest of 30-month coordination period)

Non-GHP MSP Provisions

Federal Black Lung Program

- Provides medical benefits to coal miners disabled as result of lung disease or other illnesses attributable to coal mining
- Initiated by Federal Coal Mine Health and Safety Act of 1969
- Administered through [Department of Labor \(DOL\)](#)
- Primary to Medicare for related conditions



Government Research Grant (Exclusion to Medicare; Not MSP)

- Government financing earmarked for particular services to patients (e.g., in form of a research grant)
- Primary to Medicare
- Medicare cannot pay for same services

VA (Exclusion to Medicare; Not MSP)

- Veterans with Medicare choose Medicare or VA for each service
 - To receive services under Medicare, Medicare regulations apply
 - If chooses Medicare, submit Medicare primary claim
 - To receive services under VA, beneficiary must go to VA facility or have VA authorize/agree to pay for services in non-VA facility
 - If chooses VA, beneficiary or provider seeks VA's authorization/agreement to pay
 - If VA does not authorize/pay, submit Medicare primary claim
 - If VA authorizes/pays, submit claims based on TOB and if VA paid in part or in full

VA Paid for Services in Non-VA Facility

- **VA paid for IP services**

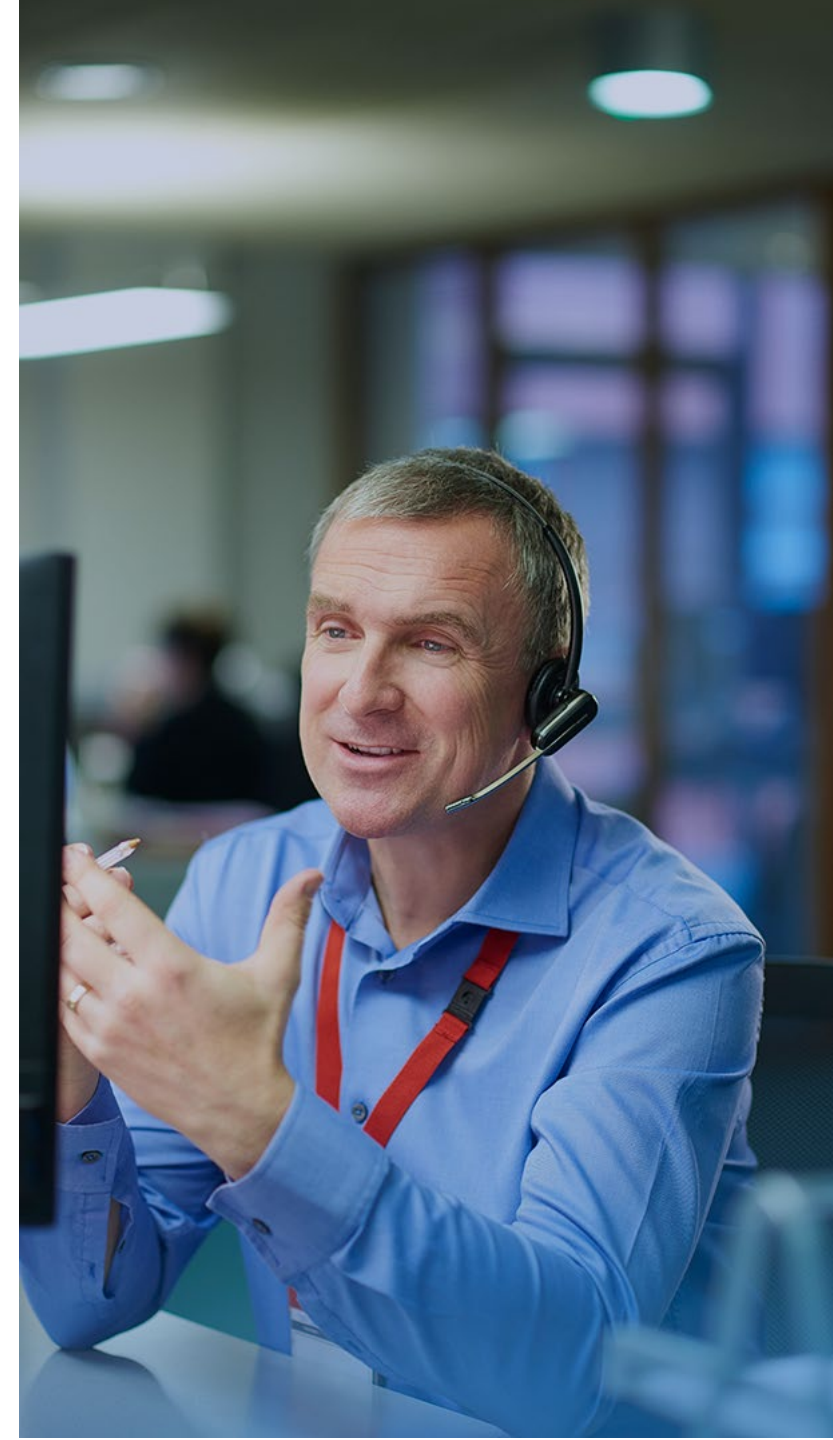
- In full, submit IP noncovered claim
- In part, submit IP claim with
 - CC 26
 - VC 42 with VA's partial payment
 - VA as primary payer (in FISS DDE, payer code = I)
 - Medicare as secondary payer
 - All Medicare-covered services/charges

- **VA paid for OP services**

- In full, may submit OP noncovered claim
- In part, submit OP claim for only Medicare-covered services/charges VA did not pay

WC

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



No-Fault/Medical-Payment Insurance

- Pays for expenses (regardless of who may be responsible) for injuries sustained on property or premises of insured, or in use, occupancy or operation of automobile
- Includes, but not limited to, automobile, homeowners and premises insurance
- May also be referred to as med-pay, medical payments, medical expense or personal injury protection (PIP)
- Primary to Medicare for related conditions

Liability Insurance Including Self Insurance

- Provides payment based upon legally established responsibility for injury, illness or damage to property
- Includes, but not limited to:
 - Homeowners' liability insurance
 - Automobile liability insurance
 - Product liability insurance
 - Malpractice liability insurance
 - Uninsured motorist liability insurance
 - Underinsured motorist liability insurance
 - General casualty insurance
- Primary to Medicare for related conditions

MSP Fundamentals Part 2 – Your MSP Responsibilities



Determine if Medicare primary payer

Identify insurance/coverage primary to Medicare – ask questions and check records



Submit claims to primary payers before Medicare

May be more than one payer primary to Medicare



Submit proper MSP claims to us when required

Follow MSP claim submission guidelines

What You Should Do Now

- Share information with coworkers and other staff
- Be familiar with MSP references and resources
- Continue to learn about MSP
- Attend our MSP webinars (Part 2 on 5/29/2025)
- Attend our Let's Chat About MSP webinars
- Attend other events featuring MSP
- Develop and implement policies that ensure your MSP responsibilities met

References and Resources



National Government Services

- [Acronym Search](#)
- [Contact Us](#)
- [Events](#)
- [FAQs](#)
- [*FISS DDE Provider Online Guide*](#)
- [NGSConnex](#)

General MSP References and Resources

- [CMS' CBT Course: MSP Overview](#)
 - Definition of MSP
 - Relationship of MSP provisions with state law
 - GHPs and Non-GHPs
 - Coordination of benefits
- [How Medicare Works With Other Insurance](#) (for beneficiaries)
- MLN® Booklet: [Medicare Secondary Payer](#)
- MLN® Fact Sheet: [Medicare Secondary Payer: Don't Deny Services & Bill Correctly](#)
- [What is Medicare Secondary Payer?](#)

Disabled MSP Provision References and Resources

- [CMS' CBT Course: Medicare Secondary Payer Disability](#)
 - Overview on MSP provisions of Social Security Act for beneficiaries entitled to Medicare based on a disability
 - Guidelines regarding employer size
 - Examples of when Medicare would be secondary payer
 - Employer and GHP guidelines
- CMS IOM Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 20.3](#), Disabled Beneficiaries Covered Under a Large Group Health Plan (LGHP)
 - [Chapter 2, Section 30](#), MSP Provision for Disabled Beneficiaries

ESRD MSP Provision References and Resources

- [CMS' CBT Course: MSP ESRD](#)
 - MSP guidelines for persons entitled to Medicare due to ESRD
 - Multiple examples of ESRD MSP situations
 - MSP for individuals with dual entitlement to Medicare
- CMS IOM Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 20.2](#), End-Stage Renal Disease (ESRD)
 - [Chapter 2, Section 20.1.3](#), Dual Eligibility/Entitlement Situations
 - [Chapter 2, Section 20.1.4](#), Summary Chart for ESRD-MSP Rules and Dually-Entitled Medicare Beneficiaries

Federal Black Lung Program and Government Research Grant References and Resources

- Federal Black Lung Program
 - CMS IOM Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 3, Section 30.2.3](#). Responsibility of Provider Where Benefits May be Payable Under the Federal Black Lung (BL) Program
- Government research grants
 - CMS IOM Publication 100-02, *Medicare Benefit Policy Manual*
 - [Chapter 16, Section 50.3.2](#), Application of Exclusion to Nongovernmental Providers, Physicians and Suppliers

Liability Insurance References and Resources

- [CMS' CBT Course: MSP Non-GHP](#)
 - Liability insurance (including self-insurance), no-fault insurance and WC
 - Definitions and types of insurance for each
- CMS IOM, Publication 100-02, *Medicare Benefit Policy Manual*
 - [Chapter 16, Section 150](#), Services Reimbursable Under Automobile, No Fault, Any Liability Insurance or Workers' Compensation
- CMS IOM, Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 20.6](#), Liability Insurance
 - [Chapter 2, Section 40](#), Liability Insurance
 - [Chapter 3, Section 30.2.1.2](#), Liability Claim Also Involved

No-Fault Insurance References and Resources

- [CMS' CBT Course: MSP Non-GHP](#)
 - Liability insurance (including self-insurance), no-fault insurance and WC
 - Definitions and types of insurance for each
- CMS IOM, Publication 100-02, *Medicare Benefit Policy Manual*
 - [Chapter 16, Section 150](#), Services Reimbursable Under Automobile, No Fault, Any Liability Insurance or Workers' Compensation
- CMS IOM, Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 20.5](#), No-Fault Insurance
 - [Chapter 2, Section 60](#), No-Fault Insurance
 - [Chapter 3, Section 30.2](#), Provider Billing Where Services are Accident Related and No-Fault Insurance May Be Available

VA References and Resources

- [Billing Medicare Part A When VA-Eligible Medicare Beneficiaries Receive Services in Non-VA Facilities](#)
- CMS IOM Publication 100-02, *Medicare Benefit Policy Manual*
 - [Chapter 16, Section 50.1](#), Items and Services Which a Non-Federal Provider Furnishes
 - Pursuant to an Authorization Issued by a Federal Agency
- CMS IOM Publication 100-04, *Medicare Claims Processing Manual*
 - [Chapter 1, Section 60](#), Provider Billing of Non-covered Charges on Institutional Claims
- [CR9818, Instructions to Process Services Not Authorized by the Veterans Administration \(VA\) in a Non-VA Facility Reported With Value Code \(VC\) 42](#)
- [VA website](#)

WC References and Resources

- [CMS' CBT Course: MSP Non-GHP](#)
 - Liability insurance (including self-insurance), no-fault insurance and WC
 - Definitions and types of insurance for each
- CMS IOM, Publication 100-02, *Medicare Benefit Policy Manual*
 - [Chapter 16, Section 150](#), Services Reimbursable Under Automobile, No Fault, Any Liability Insurance or Workers' Compensation
- CMS IOM, Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 20.4](#), Workers' Compensation (WC)
 - [Chapter 2, Section 50](#), Workers' Compensation (WC)
 - [Chapter 3, Section 30.2.2](#), Responsibility of Provider Where Benefits May Be Payable Under Workers' Compensation (WC)
- Coordination of Benefits & Recovery
 - [Workers' Comp Medicare Set Aside Arrangements](#)

Working Aged MSP Provision References and Resources

- [CMS' CBT Course: Medicare Secondary Payer Working Aged](#)
 - Overview of MSP provisions of Social Security Act for beneficiaries entitled to Medicare based on age
 - Guidelines for small employer exception
 - Examples of when Medicare would be secondary payer
 - Employer and GHP guidelines
- CMS IOM Publication 100-05, *Medicare Secondary Payer Manual*
 - [Chapter 1, Section 20.1](#), Working Aged
 - [Chapter 2, Section 10](#), MSP Provisions for Working Aged Individuals

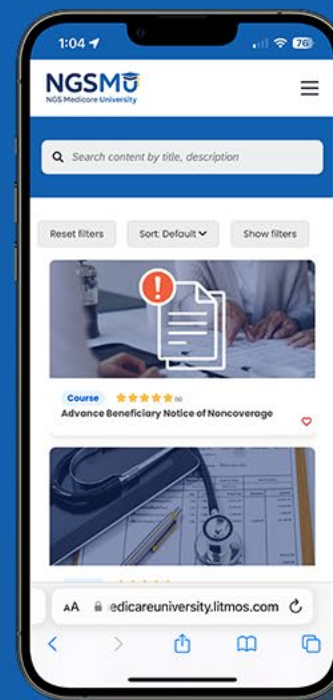
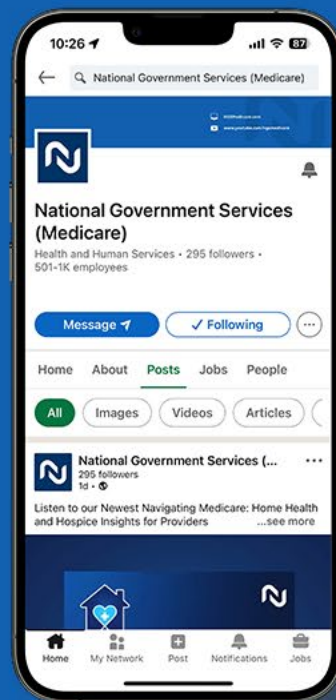
CMS Coordination of Benefits & Recovery

- Overview
 - What's New
 - Medicare Secondary Payer
 - End-Stage Renal Disease (ESRD)
 - Coordination of Benefits
 - Group Health Plan Recovery
 - Non-Group Health Plan Recovery
 - Contacts
- Attorney Services
 - Reporting a Case
- Beneficiary services
 - Reporting Other Health Insurance
- Employer Services
- Insurer Services
- Provider Services
 - Your Billing Responsibilities



Questions?

Thank you!



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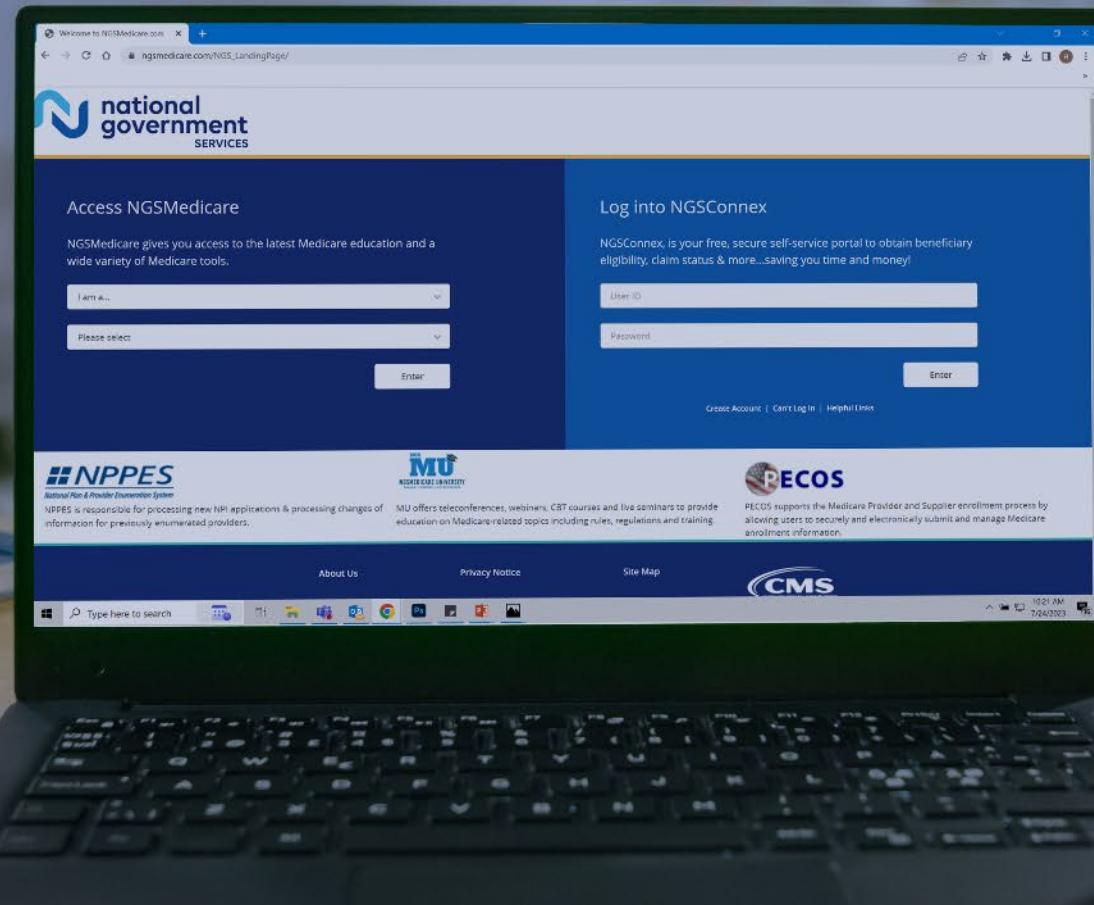


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