



University of California  
San Francisco

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# Medicare Secondary Payer Provisions

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## Basic Concepts and Tools

University of California  
Clinical Enterprise  
Compliance Office

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# Overview

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**This presentation is designed to provide an introduction to the Medicare Secondary Payer (MSP) provisions for staff who register patients and arrive visits**

**At the end of this presentation, you will:**

*Be able to determine Medicare payer priority*

*Understand why it is important to submit correct Medicare payer priority information to Medicare*

# Definitions

Term	Definition
Consolidated Omnibus Budget Reduction Act (COBRA)	COBRA contains provisions giving certain former employees, retirees, spouses, and dependent children the right to temporary continuation of health coverage at group rates  COBRA coverage is only available in specific instances
Centers for Medicare and Medicaid Services (CMS)	The CMS is a government department designed to supervise the Medicare and Medicaid programs
Group Health Plan (GHP)	A Group Health Plan is an employee welfare benefit plan established or maintained by an employer or by an employee organization (such as a union), or both, that provides medical care for participants or their dependents directly or through insurance, reimbursement, or otherwise
Medicare Secondary Payer (MSP)	MSP is the term used by Medicare when Medicare is not responsible for paying a claim first
Veterans Administration (VA)	Assists in the enrollment of: <ul style="list-style-type: none"> <li>• Veterans</li> <li>• War Orphans</li> <li>• War Widows</li> <li>• Totally disabled veterans, their wives and children</li> </ul>
Workers' Compensation (WC)	Covers medical services for job-related injury or illness
Medicare Risk /Advantage Plan	The patient assigns their Medicare benefits to a Health Maintenance Organization (HMO)

# What is Medicare Secondary Payer?

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- Since 1980, the Medicare Secondary Payer (MSP) provisions have protected Medicare funds by ensuring that Medicare does not pay for services and items that certain other health insurance or coverage has primary responsibilities for paying
- The MSP provisions apply to situations when Medicare is not the beneficiary's primary insurance

# When does Medicare pay *first*?

**Primary payers are those that have primary responsibility for paying a claim**

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- Medicare remains the primary payer for beneficiaries who are not covered by other types of health insurance or coverage

# What is the Provider's, Physician's, or Other Supplier's role in the MSP provisions?

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- Billing the primary payer before billing Medicare, as required by the Social Security Act
- Asking the patient or his/her representative questions concerning the patient's MSP status
- Providers, physicians, and other suppliers may use a model questionnaire published by CMS to collect patient information.

A commonly used method is to incorporate an MSP questionnaire into all patient health records\*

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***\*At UCSF, IDX/PACE users are routed to the Medicare Secondary Payer (MSP) Screen in order to complete the questionnaire ~ for further instruction in how to complete the MSP Questionnaire in IDX/PACE, click here:***

[http://training.ucsfmedicalcenter.org/PDF/course\\_materials/FOT102\\_BIC/Basic%20Insurance%20Concepts%20Medicare%20Secondary%20Payer%2003-2011.pdf](http://training.ucsfmedicalcenter.org/PDF/course_materials/FOT102_BIC/Basic%20Insurance%20Concepts%20Medicare%20Secondary%20Payer%2003-2011.pdf)

# When should MSP information be collected?

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**~ Medicare Secondary Payer, health insurance and coverage information **MUST** be collected at the time of initial registration *and* at each patient visit**

# Are there Exceptions to the MSP Provisions?

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- Federal law takes precedence over State laws and private contracts
- Even if a State law or insurance policy states that they are a “secondary payer” to Medicare, the MSP provisions should be followed when billing for services



# What happens if a claim is submitted to Medicare without providing other health insurance or coverage information?

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- The claim may be *conditionally* paid if the beneficiary meets all Medicare requirements, including Medicare coverage and medical necessity guidelines
- However, if the beneficiary's Medicare record indicates that another insurer should have paid primary to Medicare, the claim will either be **returned unprocessed to the provider** or **denied** or **suspended for development**
- Federal law permits Medicare to recover its conditional payments. Providers, physicians, and other suppliers can be **fined up to \$2,000** for knowingly, willfully, and repeatedly providing inaccurate information relating to the existence of other health insurance or coverage

# Medicare Payer Priority Decision Grid

If the patient...	And...	Primary Payer	Secondary Payer
Is 65 or older and is covered by a GHP through their or a spouse's current employer	The employer has less than 20 employees	Medicare	GHP
	The employer has 20 or more employees	GHP	Medicare
Is disabled and covered by a GHP through work, or is covered by an employed family member	The employer has less than 100 employees	Medicare	Large GHP
	The employer has 100 or more employees, or at least one employer is a multi-employer group that employs 100 or more employees	Large GHP	Medicare
Has end-stage renal disease (ESRD) and GHP coverage	Is in the first 30 months of eligibility or entitlement	GHP	Medicare
	It is after 30 months	Medicare	GHP
Has an employer retirement plan and is age 65 or older or is disabled	The patient is entitled to Medicare	Medicare	Retiree Coverage
Has end-stage renal disease (ESRD) and COBRA coverage	Is in the first 30 months of eligibility or entitlement	COBRA	Medicare
	It is after 30 months	Medicare	COBRA
Is age 65 or older or Is disabled and covered by Medicare and COBRA	The patient is entitled to Medicare	Medicare	COBRA
Has Veteran's Administration (VA) Benefits	Receives VA authorization for healthcare services	VA	Medicare may pay for Medicare-covered services that are not covered by VA benefits
Has been in an accident involving no-fault or liability insurance	The patient is entitled to Medicare	No-fault or liability (for accident-related healthcare services)	Medicare
Is covered under WC for a job-related illness or injury	The patient is entitled to Medicare	WC (for healthcare items or services associated with the job-related injury or illness)	Medicare
Has Black Lung disease and is covered under the Federal Black Lung Program	The patient is eligible for the Federal Black Lung Program	Federal Black Lung Program (for services related to Black Lung disease)	Medicare

# Frequently Asked Questions

Question	Response
<p>How does a provider know when to bill Medicare first?</p>	<p>Listed below are some suggested questions the provider can ask to determine if Medicare is primary:</p> <p>→ Is the patient:</p> <ul style="list-style-type: none"> <li>•Covered by any GHP through their current or former employer?</li> <li>•Covered by any GHP through a family member's current or former employer?</li> <li>•Receiving Federal Black Lung Program benefits?</li> <li>•Authorized for services by the VA?</li> </ul> <p>→Does WC cover the illness or injury due to a work-related accident or condition?</p> <p>→Is the illness/injury covered under the patient's:</p> <ul style="list-style-type: none"> <li>•Automobile insurance?</li> <li>•No-Fault insurance?</li> <li>•Medical payment coverage?</li> <li>•Personal liability insurance?</li> <li>•Liability insurance?</li> <li>•Medical 'set aside' account from a legal settlement?</li> </ul>
<p>Are there exceptions to the Medicare Secondary Payer requirements?</p>	<p>→ Federal law takes precedent over State laws and private contracts</p> <p>→ Even if the State law or insurance policy states that they are a secondary payer to Medicare, the MSP provisions should be followed when billing for services</p>
<p>What happens if the primary payer denies the claim?</p>	<p>→ Medicare may make a Conditional Payment with the assumption that the services are covered and a proper claim form was submitted</p>
<p>Does the MSP need to be completed when a patient is covered by a Medicare Risk/Advantage plan?</p>	<p>→ YES, the MSP form must be completed for these services (Please note that authorization from the HMO may also need to be obtained)</p>

# Where can I find more information on the MSP Provisions?

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- **CMS Pub 100-05 Medicare Secondary Payer, Internet-Only Manuals**

<http://www.cms.gov/Manuals/IOM/list.asp>

- **The Medicare Learning Network MSP Fact Sheet**

[http://www.cms.gov/MLNProducts/downloads/MSP\\_Fact\\_Sheet.pdf](http://www.cms.gov/MLNProducts/downloads/MSP_Fact_Sheet.pdf)

- The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare fee-for-service providers

- **The Medicare Coordination of Benefits Overview Page**

<http://www.cms.gov/COBGeneralinformation>

- The Medicare Coordination of Benefits Overview page features materials related to the MSP provisions

- **UCSF Medical Center Medicare Secondary Payer Bulletin**

[http://training.ucsfmedicalcenter.org/PDF/course\\_materials/FOT102\\_BIC/Basic%20Insurance%20Concepts%20Medicare%20Secondary%20Payer%2003-2011.pdf](http://training.ucsfmedicalcenter.org/PDF/course_materials/FOT102_BIC/Basic%20Insurance%20Concepts%20Medicare%20Secondary%20Payer%2003-2011.pdf)

- This Learning Services Training Bulletin provides detailed instructions for correct completion of the Medicare Secondary Payer (MSP) Screens in IDX/PACE



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