CENTERS for MEDICARE & MEDICAID SERVICES

Office of Financial Management/Financial Services Group

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The Medicare Secondary Payer Mandatory Reporting Provisions in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (See 42 U.S.C. 1395y(b)(7)&(b)(8))

ALERT to Employers:

- **What is Medicare Secondary Payer (MSP) and what exactly are the Section 111 mandatory reporting requirements for Group Health Plans (GHPs)?**

- **Why these requirements are important to me as an employer and what do I need to do to get ready for this initiative?**

Description and Purpose of Legislation:

- The Medicare Secondary Payer (MSP) provisions were amended in 2007 by Section 111 of the Medicare, Medicaid and SCHIP Extension Act – the MMSEA Section 111 mandatory reporting requirements. [See 42 U.S.C. 1395y(b)(7)&(b)(8) and 42 C.F.R. Part 411.]

    - The new Section 111 requirements are an addition to existing MSP law and regulations. They do not change or eliminate any existing MSP requirements.

- Section 111 requires that certain entities report specified information regarding Group Health Plan (GHP) insurance coverage sponsored by employers.

- The purpose of the Section 111 reporting requirements is to enable CMS to correctly pay for the services provided to Medicare beneficiaries who also receive employer sponsored health benefits. Section 111 information helps the Medicare program determine

primary versus secondary payment responsibility. Section 111 requires that in certain insurance situations, entities will electronically send health insurance benefit entitlement information.

  - The Section 111 reporting process will improve the coordination of benefits between CMS and other Insurers or TPAs, and reduce the overall administrative and coverage costs to all parties involved.

- If you are an Employer offering GHP insurance coverage to your employees, your GHP Insurer or TPA is required to report health insurance information about your employees to CMS.

The Importance of Employer Cooperation:

- If an employer does not provide its GHP insurer or TPA the information necessary and required for Section 111 reporting, the employer is putting its GHP insurer or TPA at risk for non-compliance with the Section 111 reporting requirements.

- Some employers may be asked to assist the insurer or TPA in compiling important information in order to determine their employees' entitlement, or the entitlement of their employee's spouse or dependent, to Medicare, such as the Medicare Health Insurance Claim Number (the Medicare ID number). This information is needed by Medicare.

- Employers may also be asked to tell the insurer or TPA the number of full-time and part-time employees the employers has. This is important because the MSP requirements are employer size specific.

- Prompt employer cooperation with its GHP insurers or TPAs will reduce GHP and employer costs associated with the coordination of benefits with Medicare.

- Prompt employer cooperation with its GHP insurers or TPAs will prevent Medicare from making mistaken payments. Fewer mistaken payments made by Medicare will result in fewer recovery actions against employers.

- Prompt employer cooperation will better ensure the success of this new insurer reporting requirement. If CMS determines that the MMSEA Section 111 mandatory reporting requirements process is successful, CMS will consider requesting that Congress eliminate current employer responsibilities under the annual IRS/SSA/CMS Data Match. See (http://www.cms.hhs.gov/irsssacmsdatamatch/) for more information about employer responsibilities under the IRS/SSA/CMS Data Match.

Employers can find additional information regarding the Section 111 reporting process on the CMS dedicated webpage **(http://www.cms.hhs.gov/MandatoryInsRep/).**