

Change in Reporting Requirements for Medicare Secondary Payer Laws



MASSACHUSETTS

Medicare Secondary Payer Reporting Law Goes Into Effect

New mandatory reporting requirements for Medicare Secondary Payer laws will go into effect on January 1, 2009. The new law (Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007) requires health insurers to report to the Centers for Medicare and Medicaid Services (CMS) on situations where Medicare is the secondary payer for people who are covered by both a group health plan and Medicare.

Fortunately, Blue Cross Blue Shield of Massachusetts has well-established voluntary reporting arrangements already in place with CMS. Blue Cross Blue Shield of Massachusetts will continue to coordinate the reporting under the new mandatory reporting process. It is expected that in order to fulfill the reporting requirements, Blue Cross Blue Shield of Massachusetts will need to obtain additional information from accounts including the account's tax identification number and at least some members' social security numbers. We expect to communicate those requirements to you in the near future.

Medicare Secondary Payer (MSP) is the term used by CMS when Medicare should not be the primary payer. Generally, although not always, group health plans must pay before Medicare, making Medicare the secondary payer. For example, in a company with more than 20 employees, an employee may have both the employer's plan and Medicare at the same time. The employer's plan would pay as primary payer as long as the employee is eligible for the group's health plan. Once the employee retires from their employer, then Medicare will become the primary payer.

If you have any questions about Medicare Secondary Reporting, please contact your account executive.