



Billing for Services when Medicare is a Secondary Payer

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PROVIDER TYPES AFFECTED

This MLN Matters® Special Edition (SE) Article is for physicians, hospitals, Skilled Nursing Facilities (SNFs), suppliers and other providers who bill Medicare Administrative Contractors (MACs) or Durable Medical Equipment (DME) MACs for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Don't deny treatment, entry to a SNF or hospital, or services based on an open or closed Liability (L), No-Fault (NF) or Workers' Compensation (WC) Medicare Secondary Payer (MSP) record on the beneficiary's Medicare file or if a claim was inappropriately denied. You must continue to see or provide services to the beneficiary.

If services relate to an open MSP accident or injury incident, first bill the other insurer as primary.

There are situations where claim services aren't related to the open accident or injury record on the beneficiary MSP L, NF, or WC record. For example, the diagnosis codes on the current claim are the same, or within the same family, as the diagnosis codes on the accident or injury record, but the service is not related. Medicare may inappropriately deny your claim because the diagnosis codes on the claim and the MSP record are the same, or within the same family. You should appeal the inappropriately denied claim with your MAC. You must provide an explanation or a reason code to justify the services aren't related to the accident or injury on record.

BACKGROUND

Medicare law and regulations require all entities that bill Medicare for services or items given to Medicare beneficiaries to decide whether Medicare is the primary payer for those services or items before submitting a claim to Medicare. (See [Section 1862\(b\)\(2\)](#) of the Social Security Act and regulations at [42 CFR 489.20g](#).)

When you find another insurer as the primary payer, bill that insurer first. ([Page 16 of Chapter 3 of the Medicare Secondary Payer Manual](#) provides guidance on finding other primary payers.) After receiving the primary payer remittance advice, bill Medicare as the secondary payer, if appropriate.

If you see a beneficiary for multiple services, bill each service to the proper primary payer. Recently, there have been situations where we have inappropriately denied L, NF, or WC MSP claims when you provided services that are not related to the accident or injury identified on the beneficiary's Medicare record.

If you believe Medicare inappropriately denied a claim, do the following:

- Check your claim to make sure you submitted a correctly completed claim to the proper payer(s).
- Contact your MAC.
- File an appeal if necessary. (An appeal and a phone call to the MAC is the most efficient method for resolving an inappropriately denied claim.)
- Give information to your MAC that shows the inappropriate denial.
 - Tell your MAC that the service performed isn't related to the accident or injury on record, the reason why it's unrelated to the accident or injury, and request that Medicare adjust and pay the claim if it's a Medicare covered and payable service.
 - Don't instruct Medicare beneficiaries to contact the Benefits Coordination and Recovery Center (BCRC) to delete the open MSP record. In many situations, the open record may be an active record that shouldn't be deleted.
 - Don't bill the Medicare beneficiary for the inappropriately denied claims or refer the claims to a collection agency. Resolve the claims issue with your MAC.

Key Reminders

- Collect full beneficiary health insurance information upon each office visit, outpatient visit, and hospital admission.
- Find the primary payer before submission of a claim, and bill the proper responsible payer(s) for related services.
- [Check Medicare Eligibility](#) to identify accident or injury diagnosis codes for L, NF, or WC MSP periods.
- For multiple services, bill each responsible payer(s) separately.
- If you give treatment to a beneficiary for accident-related services and non-accident-related services, don't submit both sets of services on the same claim to Medicare. Send separate claims to Medicare: one claim for services related to the accident and another claim for services not related to the accident.
- You should always use specific diagnosis codes related to the accident or injury. Doing so will promote correct and prompt payments.

ADDITIONAL INFORMATION

If you've questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

Review [Chapter 3](#) of the Medicare Secondary Payer Manual.

Review the [Medicare Secondary Payer fact sheet](#). This fact sheet gives you more information

on the MSP provisions. It includes information on MSP basics, common situations when Medicare may pay first or second, Medicare conditional payments, and the role of the BCRC.

DOCUMENT HISTORY

Date of Change	Description
February 23, 2021	Initial article released.

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