

COLLECTING, SUBMITTING, AND UPDATING BENEFICIARY INSURANCE INFORMATION TO MEDICARE



Background

As the Medicare program matures and the “baby boomer” generation moves towards retirement, it becomes critical to maintain the viability and integrity of the Medicare Trust Fund. Providers can contribute to the appropriate use of Medicare by complying with all Medicare requirements, including those applicable to Medicare Secondary Payer (MSP). The purpose of this Fact Sheet is to provide a general overview of the MSP Program for individuals involved in the admission and billing procedures at physician’s offices and other provider settings.

What Is Medicare Secondary Payer (MSP)?

Since 1980, the Medicare Secondary Payer (MSP) Program has protected Medicare funds by ensuring that Medicare does not pay for services that private health insurance plans or Government plans have primary responsibilities for paying. The MSP Program applies to claim situations when Medicare is not the beneficiary’s primary insurance. It provides the following benefits for both the Medicare program and the provider:

- National program savings – Medicare saves over \$4.5 billion annually on claims processed by insurers that are primary to Medicare.
- Increased provider revenue – Providers that bill a liability insurer *before* billing Medicare may receive more favorable payment rates. Providers can also reduce administrative costs when health insurance is properly coordinated.

To realize these benefits, providers must have access to accurate, up-to-date information about all health plan insurance coverage that Medicare beneficiaries may have. Current law requires all entities seeking payment for any item or service furnished under Medicare Part B to complete the portion of the claim form relating to the availability of other health insurance, based on information obtained from the individual to whom the item or service is furnished.

How Is Beneficiary Insurance Information Collected and Coordinated?

The Centers for Medicare & Medicaid Services (CMS) established the Coordination of Benefits (COB) Contract to collect, manage,

and maintain information on Medicare's Common Working File (CWF) regarding other health insurance coverage for Medicare beneficiaries. Providers must collect accurate MSP beneficiary information for the COB Contractor to coordinate the information.

To support the goals of the MSP Program, the COB Contractor manages several data gathering programs. These programs were implemented in phases, beginning in 2000.

What Are Some of the Activities Managed by the COB Contractor?

The COB Contractor implemented the first two phases of the contract in April 2000:

- **Initial Enrollment Questionnaire (IEQ) –**

The COB Contractor sends out the IEQ approximately three months before an individual is eligible for Medicare. This questionnaire asks the beneficiary if he or she has other health care coverage that may be primary to Medicare.

- **Internal Revenue Service/Social Security Administration/CMS (IRS/SSA/CMS) Data Match Project Coordination –**

The Omnibus Budget Reconciliation Act of 1989 requires each agency to share information it has regarding employment of Medicare beneficiaries or their spouses. This information helps determine whether a beneficiary may be covered by a group health insurance plan that pays primary to Medicare. This information is sent to the COB Contractor, which coordinates the Data Match Project.

As part of the Data Match project, the Voluntary Data Sharing Agreement (VDSA) program allows for the electronic data exchange of Group Health Plan (GHP) eligibility and Medicare information between CMS, employers, and various insurers. Employers, to meet the mandatory reporting requirements, can sign a VDSA in lieu of completing and submitting the IRS/SSA/CMS Data Match questionnaire.

In January 2001, an additional phase of the MSP Program was implemented:

- **MSP Claims Investigation Process –**

The COB Contractor assumed responsibility for all initial MSP development activities previously performed by Intermediaries and Carriers. The

COB Contractor provides a one-stop customer service approach for all MSP-related inquiries. However, providers should continue to call the Intermediary and/or Carrier that processes their claims regarding specific claim-based issues.

What Is the Provider's Role in the MSP Program?

Providers must aid in the collection and coordination of beneficiary insurance information by:

- Requesting updated insurance profiles from the patient at each visit. A suggested method is to incorporate an MSP questionnaire into all patient health records.
- Billing the primary payer before billing Medicare, as required in the Social Security Act.

How Do Providers Gather Accurate Data from the Beneficiary?

Providers can save time and money by collecting patient insurance information at each patient visit. Some suggested questions that providers should ask are:

- Is the patient covered by any GHP through his or her current or former employment? If so, how many employees work for the employer providing coverage?
- Is the patient covered by any GHP through his or her spouse or other family member's current or former employment? If so, how many employees work for the employer providing the GHP?
- Is the patient receiving Federal Black Lung Program benefits?
- Is the patient receiving Workers' Compensation (WC) benefits?
- Is the patient covered under automobile insurance, no-fault insurance, medical payments coverage, personal injury insurance, liability insurance, or a medical "set aside" account from a legal settlement?
- Is the patient being treated for an injury or illness for which another party could be held liable?

If the provider does not furnish Medicare with a record of other insurance that may be primary to Medicare on any claim and there is an indication of possible MSP, the COB Contractor may request that the provider complete a Development Questionnaire.



Why Gather Additional Beneficiary Insurance Information?

The goal of MSP information-gathering activities is to quickly identify possible MSP situations, thus ensuring correct primary and secondary payments by the responsible parties. This effort may require that providers complete Development Questionnaires to collect accurate beneficiary insurance information. Many of the questions on the Development Questionnaires are similar to the coverage questions that providers might ask a beneficiary during a routine visit. This similarity provides another good reason to routinely ask patients about their insurance coverage. If a provider gathers information about a beneficiary's other insurance and uses that information to complete the claim properly, Development Questionnaires may not be necessary. Accurate submittal of claims may accelerate the processing of the provider's claim.

The types of questionnaires the COB Contractor may submit to providers include:

- Secondary Claim Development (SCD) Questionnaire; and
- Trauma Development (TD) Questionnaire.

Each questionnaire addresses different potential MSP situations.

What Is a Secondary Claim Development (SCD) Questionnaire?

An SCD Questionnaire may be sent to the provider, when a claim is submitted with an Explanation of Benefits (EOB)

attached from an insurer other than Medicare, and pertinent information was not submitted to properly adjudicate the submitted claim. The COB Contractor provides the name and Health Insurance Claim Number (HICN) of each beneficiary for which the provider is requested to complete an SCD Questionnaire. The provider should complete and return the SCD Questionnaire to the COB Contractor.

What Is a Trauma Development (TD) Questionnaire?

A TD Questionnaire may be sent when information regarding an accident, illness, or injury is received and/or a diagnosis appears on a claim that indicates an accident, illness, or injury has occurred. This incident may be related to a WC, automobile accident, or other liability situation. The TD Questionnaire may be sent to the beneficiary, the provider, the attorney, or the insurer to collect information regarding the existence of other insurance that may be primary to Medicare. If an MSP liability situation is identified after Medicare pays the claim, Medicare has the right to recover any conditional payments made on behalf of the beneficiary.

What Happens if a Provider Bills Another Insurance First and It Does Not Pay in a Timely Manner?

Sometimes claims properly submitted to primary payers (such as automobile, no-fault, liability, or WC insurers) are not paid in a timely manner (within 120 days). This situation may occur when there are delays in settlements. To offset this problem, Medicare may be billed for any Medicare covered service and it will make a conditional payment on the claim. Medicare has the right to recover any conditional payments made on behalf of the beneficiary.

What Happens if the Provider Submits a Claim to Medicare Without Providing the Other Insurer's Information?

The claim will be paid if it meets Medicare coverage and medical necessity guidelines. However, if the beneficiary's Medicare record indicates that another insurer should have paid primary to Medicare, the provider will be sent an MSP Development Questionnaire to complete. Medicare will review the information on the questionnaire and determine whether to recover the conditional payments made to the provider, beneficiary, or another party of obligation.

What Happens if the Provider Fails to File Correct and Accurate Claims with Medicare?

Federal law permits Medicare to recover its conditional payments. Providers can be fined up to \$2,000 for knowingly, willfully, and repeatedly providing inaccurate information relating to the existence of other benefit plans.

How Does the Provider Contact the COB Contractor?

Providers may contact the COB Contractor at 1-800-999-1118 (TTY/TDD: 1-800-318-8782), Monday - Friday, 8 a.m. to 8 p.m. Eastern Time (excluding holidays). Providers may contact the COB Contractor to:

- Report potential MSP situations;
- Report incorrect insurance information; or
- Address general MSP questions/concerns.

Specific claim-based issues (including claim processing) should still be addressed to Intermediaries and/or Carriers.

Where Can I Find More Information on the Provider's Role in MSP and COB?

CMS offers several online references for information about MSP, COB, and the Medicare program:



- **The Medicare Learning Network Home Page**

www.cms.hhs.gov/medlearn/

The Medlearn Home Page features CMS provider education materials for COB and MSP issues, including a link to the Physicians Information Resource for Medicare Home Page.

- **The Medicare Secondary Payer and You Home Page**

www.cms.hhs.gov/medicare/cob/msp/msp_home.asp

The Medicare Secondary Payer and You Home Page contains many useful resources for the MSP Program, including information on data gathering for providers, claims investigations, and contact information for the COB Contractor.

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

www.cms.hhs.gov/medicare/cob

The Medicare Coordination of Benefits Home Page features MSP Program materials for providers such as the *COB Contractor MSP Claims Investigation Fact Sheet for Providers* and quarterly newsletters.

Written inquiries or requests for hardcopy COB newsletters can be sent to:

**Medicare – COB
P.O. Box 125
New York, NY 10274-0125**

