



The Vita Viewpoint Important Information for Decision Makers

Update on Medicare Secondary Payer Reporting Requirement

Overview

Earlier this year, we alerted you to the emphasis CMS has placed on gathering data to help enforce Medicare Secondary Payer (MSP) rules. The purpose of this Vita Viewpoint is to bring you up to date on the manner in which this data will be gathered starting January 1, 2009.

The good news is that the reporting requirements and potential penalties will fall on group health plans rather than employers. The bad news is that your group health plan vendor will still rely heavily upon you to provide the data that they are required to submit to CMS.

Changes to Current Reporting Process

Currently, this data reporting is done on a voluntary basis. As of January 1, 2009, reporting will become mandatory for all group health plans, including third party administrators of self-funded plans. Standardized electronic files will be transmitted to CMS on a regular basis.

New Requirements

One of the key elements that **must** be included in this file is the Social Security number of every plan participant. CMS will penalize any group health plan that submits incomplete data. It is therefore safe to assume that carriers *will not submit* incomplete reports.

Our expectation is that they will submit **only** data for employees that have provided their SSN. This could result in disruption to coverage for individuals who choose not to provide their SSN.

The requirement is being phased in – with all employee SSNs required by January 1, 2009, and all *dependent* SSNs required by July 1, 2009.

What You Need to Do

Most group health plans are already vigilant about obtaining employee SSNs. We expect the early phase of this transition to go smoothly. But you and your employees need to stay alert for carrier requests for dependent Social Security numbers. Please respond with that information as promptly as possible.

On a day to day administration level, this means that you should *require* employees to provide Social Security numbers for themselves and their eligible dependents when completing enrollment forms. Incomplete forms should **not** be accepted because your carriers will not be able to process them.

Commentary

This data has always been important for HIPAA purposes, but the new CMS mandatory reporting requirement makes it a “must do” element of every enrollment.

For questions or additional information, please contact Vita Benefits Group at (650) 968-8811.