

MSP NGHP Introduction

Slide 1 of 17 – MSP NGHP Introduction



The slide features the CMS logo (Centers for Medicare & Medicaid Services) on the left and the COB&R logo (Coordination of Benefits and Recovery) on the right. A large teal circle is positioned in the center-left area, and a smaller black-outlined circle is positioned above it to the right.

Medicare Secondary Payer (MSP)

Non-Group Health Plan (NGHP)

Version 6.9, 04/03/2023
Note: CMS reserves the right to modify this presentation. To ensure you have the most current version, verify that the version and date on this page match the version and date on the corresponding page of the PDF currently available on:
<https://go.cms.gov/>.

Slide notes

Welcome to the Medicare Secondary Payer (MSP) Non-Group Health Plan (NGHP) course. Note: This module is appropriate for Organizations offering Health Benefits or Prescription Drug Benefits: “Health Plans and Drug Plan Sponsors.”

Slide 2 of 17 - Disclaimer

Disclaimer

While all information in this document is believed to be correct at the time of writing, this Computer Based Training (CBT) is for educational purposes only and does not constitute official Centers for Medicare & Medicaid Services (CMS) instructions. All affected entities are responsible for following the applicable laws and regulations; as well as the instructions found at the following link:
<https://go.cms.gov/>.

Slide notes

While all information in this document is believed to be correct at the time of writing, this Computer Based Training (CBT) is for educational purposes only and does not constitute official Centers for Medicare & Medicaid Services (CMS) instructions.

All affected entities are responsible for following the applicable laws and regulations; as well as the instructions found at the following link: [CMS Website](https://go.cms.gov/).

Slide 3 of 17 - Course Overview

Course Overview

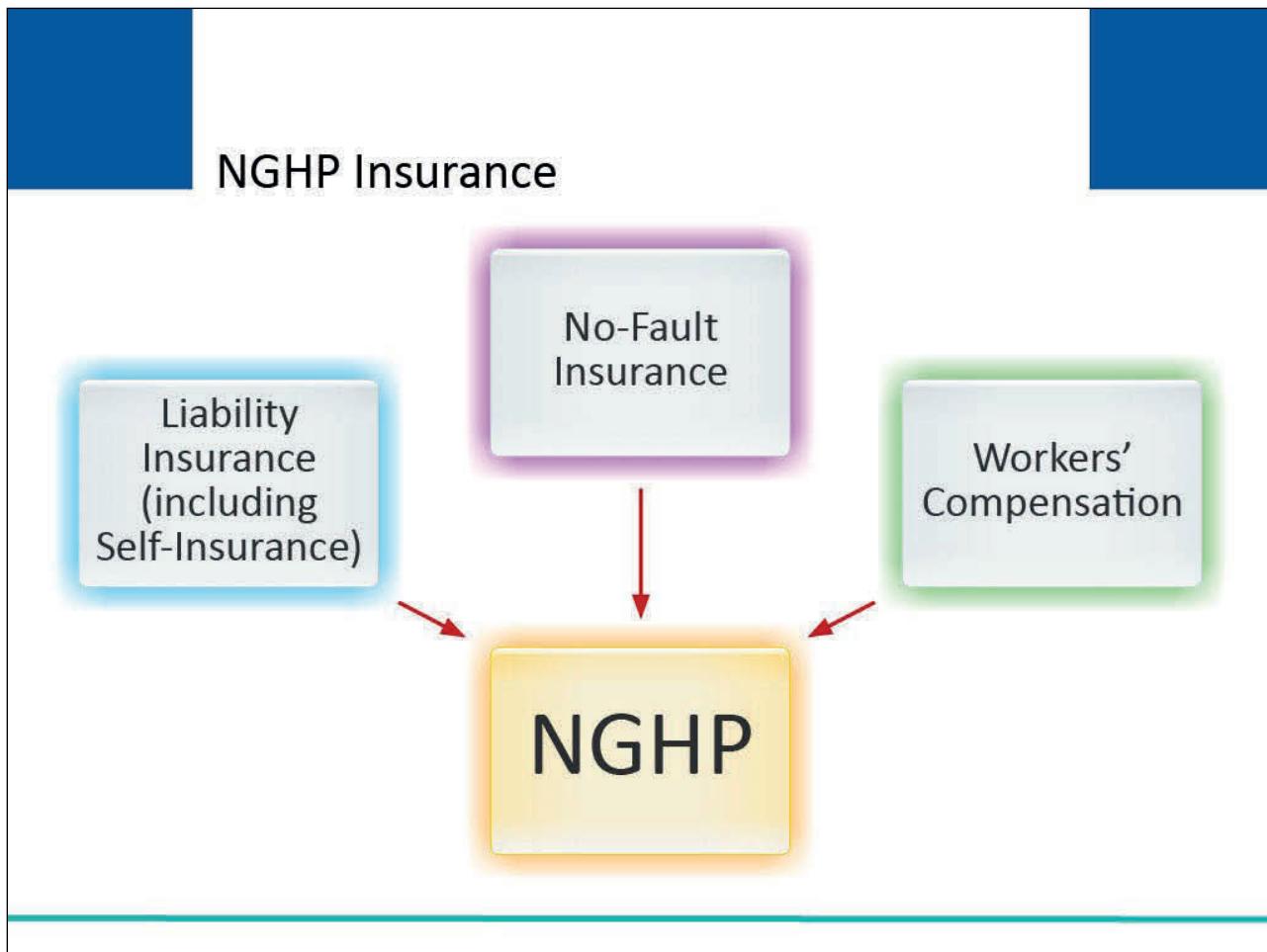
- Non-Group Health Plan (NGHP)
 - Liability Insurance (including self-insurance)
 - Definition and types
 - No-Fault Insurance
 - Definition and types
 - Workers' Compensation
 - Definition and types

**Slide notes**

This course addresses the three main groupings of insurance that fall under the category of non-group health plan (NGHP) MSP:

- liability insurance (including self-insurance),
- no-fault insurance, and
- workers' compensation.

This course provides definitions and list types of insurance for each.

Slide 4 of 17 - NGHP Insurance**Slide notes**

NGHP insurance is a term used by Medicare to collectively describe the following types of insurance whose benefits are primary to Medicare:

- liability insurance (including self-insurance),
- no-fault insurance, and
- workers' compensation.

Slide 5 of 17 - Liability Insurance (including self-insurance)

Liability Insurance (including self-insurance)

- Insurance that provides payment based upon legal liability for injury or illness or damage to property
- Includes, but is not limited to:
 - Automobile Liability Insurance
 - Uninsured Motorist Insurance
 - Underinsured Motorist Insurance
 - Homeowner's Liability Insurance
 - Malpractice Insurance
 - Product Liability Insurance
 - General Casualty Insurance

Note: Individuals/entities engaged in a business, trade, or profession are self-insured to the extent they have not purchased Liability Insurance coverage. This includes responsibility for deductibles.

Slide notes

Liability insurance means insurance, including self-insurance, that provides payment based upon legal liability for injury or illness or damage to property.

It includes, but is not limited to, Automobile Liability Insurance, Uninsured Motorist Insurance, Underinsured Motorist Insurance, Homeowners Liability Insurance, Malpractice Insurance, Product Liability Insurance, and General Casualty Insurance.

Note that, individuals or entities engaged in a business, trade, or profession are considered self-insured to the extent they have not purchased liability insurance coverage. This includes responsibility for deductibles.

Slide 6 of 17 - Liability Insurance (including self-insurance) Example on self-insurance

Liability Insurance (including self-insurance) Example on self-insurance

ABC Corporation

- \$1 million liability policy
- \$50,000 deductible

Visitor is injured and files claim. Neither the ABC Corporation, the alleged responsible party, nor the liability insurer admit liability, but they agree to pay the injured beneficiary \$75,000

Beneficiary receives \$75,000

- \$50,000 from ABC as self-insurance
- \$25,000 from liability insurer

Slide notes

Let us assume, ABC Corporation has a 1-million-dollar liability insurance policy. Benefits are paid after a \$50,000 deductible is satisfied.

A Medicare beneficiary, while visiting the ABC Corporation, is injured in an accident on their premises.

The beneficiary files a claim against ABC Corporation stating the accident was due to the negligence of ABC. ABC Corporation and its liability insurer agree to pay the beneficiary \$75,000 to settle the claim.

Because ABC Corporation's Liability policy has a \$50,000 deductible, ABC paid \$50,000 and their liability insurer paid \$25,000. The \$50,000 paid by the ABC Corporation is considered self-insurance.

Slide 7 of 17 - Types of Liability Insurance (including self-insurance)

| Types of Liability Insurance (including self-insurance) | |
|--|--|
| Insurance | Description |
| Automobile Insurance | Most states mandate automobile owners provide proof of financial responsibility. Often this is done through the purchase of an automobile insurance policy |
| Uninsured Motorist | Payment based on the alleged damages caused by uninsured/underinsured motorist |
| Underinsured Motorist | Policyholder's level of protection is extended to compensate for the other party's inadequate coverage |
| Homeowners' Liability | Covers legal liability if someone injured while on policyholder's property |
| General Casualty (Commercial) | Covers legal liability of business, corporation or other organization |
| Product Liability | Protects against claims filed for alleged defective products/merchandise |
| Malpractice | Protects against claims alleging negligence |

Slide notes

Since most states require automobile owners to provide proof of financial responsibility, persons who own vehicles often purchase automobile insurance policies to serve this purpose.

Uninsured Motorist Insurance is insurance under which the policyholder's insurance pays for alleged damages caused by a motorist who has no Automobile Liability Insurance or carries less than the amount of insurance required by law.

Underinsured Motorist Insurance is insurance under which the policyholder's level of protection against losses caused by another, is extended to compensate for inadequate coverage in the other party's policy or plan.

Homeowners' Liability Insurance is that portion of a homeowner's insurance plan or policy that covers legal liability in the event someone suffers an injury while on the policyholder's property.

General Casualty Insurance or Commercial Insurance is similar to homeowner insurance except that it covers the legal liability of a business, corporation, or other organization.

Product Liability Insurance is insurance often purchased by companies in the manufacturing sector or retail sector to protect against claims alleging defective products or merchandise.

Malpractice Insurance is an insurance policy or plan purchased by healthcare providers to protect them against claims alleging negligence.

Slide 8 of 17 - No-Fault Insurance

No-Fault Insurance

Insurance that pays for medical expenses for injuries sustained on the property or premises of the insured, or in the use, occupancy, or operation of an automobile, regardless of who may have been allegedly responsible for causing the accident

- Includes, but is not limited to:
 - Automobile Insurance
 - Commercial Insurance

Slide notes

No-fault insurance means insurance that pays for medical expenses for injuries sustained on the property or premises of the insured, or in the use, occupancy, or operation of an automobile, regardless of who may have been allegedly responsible for causing the accident.

This insurance includes but is not limited to Automobile Insurance and Commercial Insurance plans.

Slide 9 of 17 - Types of No-Fault Insurance

Types of No-Fault Insurance



Automobile No-Fault

- Medical Payments (Med Pay) Coverage/Personal
- Injury Protection (PIP)/Medical Expense Coverage



Commercial Insurance No-Fault

- Premises medical
- Guest MedPay

Note: No-Fault benefits are paid regardless of who may have allegedly been at fault

Slide notes

Many vehicle owners have a type of no-fault Insurance on their own automobile insurance policies.

The no-fault coverage on automobile policies goes by several different names including, Medical Payments (MedPay) coverage, Personal Injury Protection (PIP), and Medical Expense Coverage.

Certain commercial insurance policies include no-fault insurance. Places of business often purchase a commercial insurance policy for protection against liability claims.

The commercial insurance policy may have a no-fault insurance provision or rider. This type of coverage is often referred to as premises medical or guest MedPay.

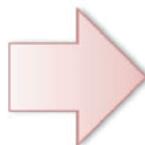
What distinguishes no-fault Insurance from liability insurance is that no-fault benefits are paid regardless of who may have been alleged to be at fault in causing the accident.

Slide 10 of 17 - No-Fault Insurance Example

No-Fault Insurance Example

Single car accident

- Driver falls asleep at the wheel and hits a tree
- Driver is deemed to be “at fault” in causing the accident



If car’s insurance policy has no-fault or medical payments coverage

- Insurance company will pay for the medical care received
- Note: Medical expenses that exceed the no-fault coverage amount, may be paid by other insurance or the injured party

Slide notes

Assume there is a single car accident in which the driver falls asleep at the wheel of his car and runs into a tree. The driver suffers minor injuries and is transported to an emergency room for treatment and observation.

Clearly, the driver was at fault in causing the accident. However, even if the driver was deemed to be “at fault”, if there is no-fault or medical payments coverage on the car’s insurance policy, the insurance company will pay for the medical care received.

Most often, the no-fault or medical payments coverage is purchased in thousand-dollar increments, i.e., a \$1,000 policy, a \$5,000 policy and so on.

If the medical expenses exceed the amount of no-fault coverage available, the balance may be paid for by other insurance or be an out-of-pocket expense for the injured party.

Slide 11 of 17 - Liability Insurance (including self-insurance) and No-Fault Insurance - Primary Payers to Medicare

Liability Insurance (including self-insurance) and No-Fault Insurance - Primary Payers to Medicare

When the injured party is a Medicare beneficiary and the date of incident/accident is on or after December 5, 1980

Liability insurance (including self-insurance) and no-fault insurance are, by law, primary payers to Medicare

If beneficiary has no-fault coverage, the beneficiary is required to take whatever action necessary to obtain no-fault benefits. The no-fault insurer must be billed before Medicare is billed

If beneficiary has made a claim against liability insurance (including self-insurance), liability must be billed first

Slide notes

In general, when the injured party is a Medicare beneficiary and the date of incident/accident is on or after December 5, 1980, liability insurance (including self-insurance) and no-fault insurance are, by law, primary payers to Medicare.

If a Medicare beneficiary has no-fault coverage, he/she is required to take whatever action is necessary to obtain no-fault benefits. The no-fault insurer must be billed before Medicare is billed.

If a Medicare beneficiary has made a claim against liability insurance (including self-insurance), the provider, physician, or other supplier must bill the liability insurer first unless it has evidence that the liability insurance (including self-insurance) will not pay "promptly" as defined by CMS' regulations.

Slide 12 of 17 - Workers' Compensation

Workers' Compensation

A law or plan of the United States, or any state, that compensates employees for work related injuries or illness

Most employees are covered under workers' compensation

Includes insurance plans established by employers to provide compensation to its workers who suffer a work-related injury or illness

Slide notes

Workers' compensation is a law or plan of the United States, the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands or any plan of the 50 states, that compensates employees for work-related injuries or illnesses.

Most employees are covered under workers' compensation plans. Workers' compensation also includes insurance plans established or purchased by employers to provide compensation to its workers if they suffer a work-related injury or illness.

Slide 13 of 17 - Workers' Compensation

Workers' Compensation

Primary Payer to Medicare

- For work-related illness/injuries



Medicare beneficiaries must apply for workers' compensation benefits

- If Medicare beneficiary has applied for workers' compensation benefits, workers' compensation must be billed first

If claim is in dispute, and workers' compensation will not pay promptly, Medicare may be billed

Slide notes

Workers' compensation is a primary payer to the Medicare program for Medicare beneficiaries' work-related illnesses or injuries. Medicare beneficiaries are required to apply for all applicable workers' compensation benefits.

If a Medicare beneficiary has applied for workers' compensation benefits, providers, physicians, and other suppliers must bill workers' compensation first.

If responsibility for the workers' compensation claim is in dispute and workers' compensation will not pay promptly, the provider, physician, or other supplier may bill Medicare.

Slide 14 of 17 - Types of Workers' Compensation

Types of Workers' Compensation

- In most states, employers meet obligations through
 - Purchase of insurance policy, or
 - Self-insuring risk
- Some states require employers to
 - Get coverage through state-operated funds
 - Use either the state fund or private insurance
- Federal workers' compensation plans include
 - Federal Employee Compensation Act
 - Longshore and Harbor Workers' Compensation Act
 - Federal Black Lung Program

**Slide notes**

In most states, employers can meet their workers' compensation obligations by purchasing an insurance policy from an insurance company or self-insuring the risk.

A limited number of states and U.S. territories require employers to get coverage exclusively through state-operated funds. A number of states also maintain a state fund, but the state funds compete with private insurance.

In these states, generally an employer has the option to use either the state fund or private insurance. There are several Workers' Compensation programs administered by the Federal government.

These include the Federal Employee Compensation Act which provides compensation benefits to Federal employees for work-related injuries or illnesses.

The Longshore and Harbor Workers' Compensation Act covers employees engaged in maritime work or in a maritime occupation.

The Federal Black Lung Program provides medical benefits to coal miners totally disabled from pneumoconiosis (black lung disease) arising from their employment in or around the nation's coal mines.

Slide 15 of 17 - Key Concepts

Key Concepts

- Non-Group Health Plan (NGHP) includes:

Liability insurance (including self-insurance)

No-fault insurance

Workers' compensation

**Slide notes**

The key concept of this course is that Non-Group Health Plan (NGHP) MSP involves three different types of insurance:

- liability insurance (including self-insurance),
- no-fault insurance, and
- workers' compensation.

These three types of insurance are primary payers to Medicare.

Slide 16 of 17 - NGHP MSP Conclusion

You have completed the Non-Group Health Plan Medicare Secondary Payer course. Information in this course can be referenced by using the Medicare Secondary Payer Manual. This document is available for download at the following link:

<https://www.cms.gov/>

Slide notes

You have completed the Non-Group Health Plan Medicare Secondary Payer course. Information in this course can be referenced by using the Medicare Secondary Payer Manual.

This document is available for download at the following link: [CMS Website](https://www.cms.gov/).

Slide 17 of 17 - NGHP MSP Survey

If you have any questions or feedback on this material,
please go to the following URL:

<https://www.surveymonkey.com/s/MSPTTrainingSurvey>.

Slide notes

If you have any questions or feedback on this material, please go to the following URL: [MSP Training Survey](https://www.surveymonkey.com/s/MSPTTrainingSurvey).