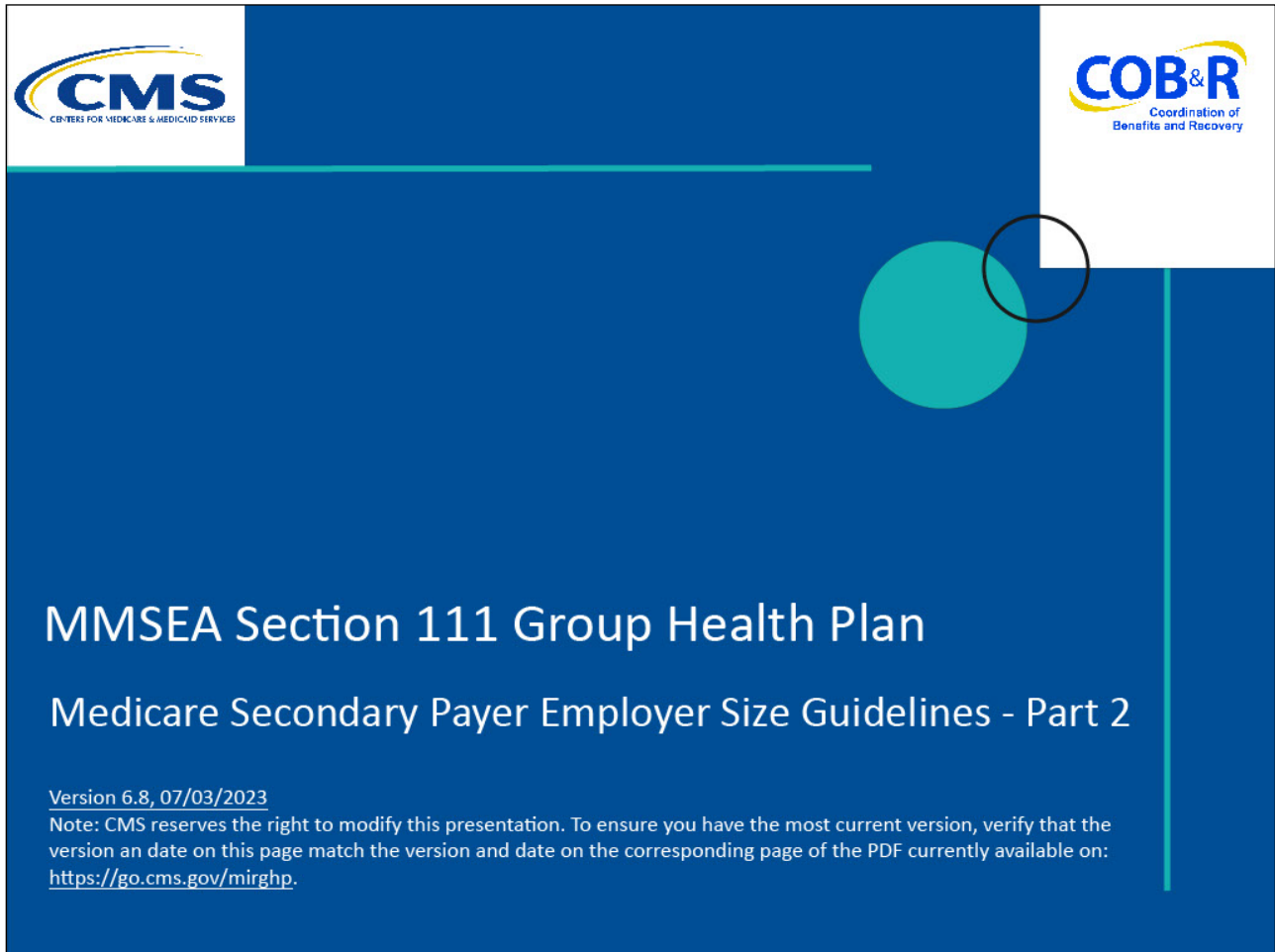## MSP Employer Size Guidelines for Introduction - Part 2

Slide 1 of 34 - MSP Employer Size Guidelines for Introduction - Part 2

Slide notes

Welcome to the Medicare Secondary Payer (MSP) Employer Size Guidelines for Group Health Plan Arrangements - Part II.

Slide 2 of 34 - 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 and Medicaid Services (CMS) instructions for the MMSEA Section 111 implementation. All affected entities are responsible for following the instructions found at the following link: https://go.cms.gov/mirghp.

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 and Medicaid Services (CMS) instructions for the MMSEA Section 111 implementation.

All affected entities are responsible for following the applicable statutes, regulations, and CMS instructions in regards to MSP employer size guidelines for Group Health Plan arrangements found in

42 U.S.C. 1395y(b), 42 C.F.R. 411.101 and 411.170, and at the following link: http://cms.gov/.

Slide 3 of 34 - Course Overview

Course Overview

- Calculating and submitting updates to employer size
- Valid values for the Employer Size field
- Examples on how to report employer size changes
- Note Part I -
    - Employer size as it relates to MSP requirements
    - Employer size examples

Slide notes

This course reviewed the RRE's responsibilities for calculating and submitting updates to employer size and identifies the valid values for the Employer Size field. The CBT concluded with examples of how to report Employer Size changes.

Slide 4 of 34 - Employer Size

Slide notes

Employer size is reported using the employer size indicator in Field 16 on the MSP Input File Detail Record.

The employer size indicator values reflect categories that are based on MSP regulations related to the number of employees during a specific time period which affect whether Medicare is the secondary payer in conjunction with the reason an individual is entitled to Medicare (age and disability).

A value of '0' is used to report an employer size of 1 to 19 employees, '1' is used for 20 to 99 employees and '2' for 100 or more employees. RREs must follow the MSP regulations when determining employer size.

Slide 5 of 34 - Employer Size

Employer Size

- Associated with the coverage dates reported, not the actual file submission date

- If reporting a coverage period that began in 2009, review the number of employees during 2008 and keep track of changes throughout 2009

- Employer size is reported according to the dates of coverage and what the employer size indicator is calculated to be during those dates

Slide notes

Employer Size is not just a count of employees as of the current reporting date.

The employer size reported Group Health Plan (GHP) coverage on an MSP Input Detail Record is associated with the coverage dates being reported, not the actual date you are submitting your files.

If you are reporting a coverage period starting in 2009, you need to look at the number of employees during 2008 and then keep track of changes throughout 2009.

In order to do this correctly, keep in mind that the employer size is reported according to the dates of coverage for the individuals and what the employer size indicator is calculated to be during those dates of coverage.

Slide 6 of 34 - Setting the Employer Size Indicator

Setting the Employer Size Indicator

- Obtain employer size information on **at least a yearly basis**

- Information must include enough detail to make the employer size determination according to MSP regulations

  - 20 or more full and/or part-time employees for 20 weeks or more in the current or previous calendar year, or

  - 100 or more full and/or part-time employees for 50% or more of the employers' business days in the previous calendar year

- Retain employee counts or changes to counts by:

  - Employer
  - Business day
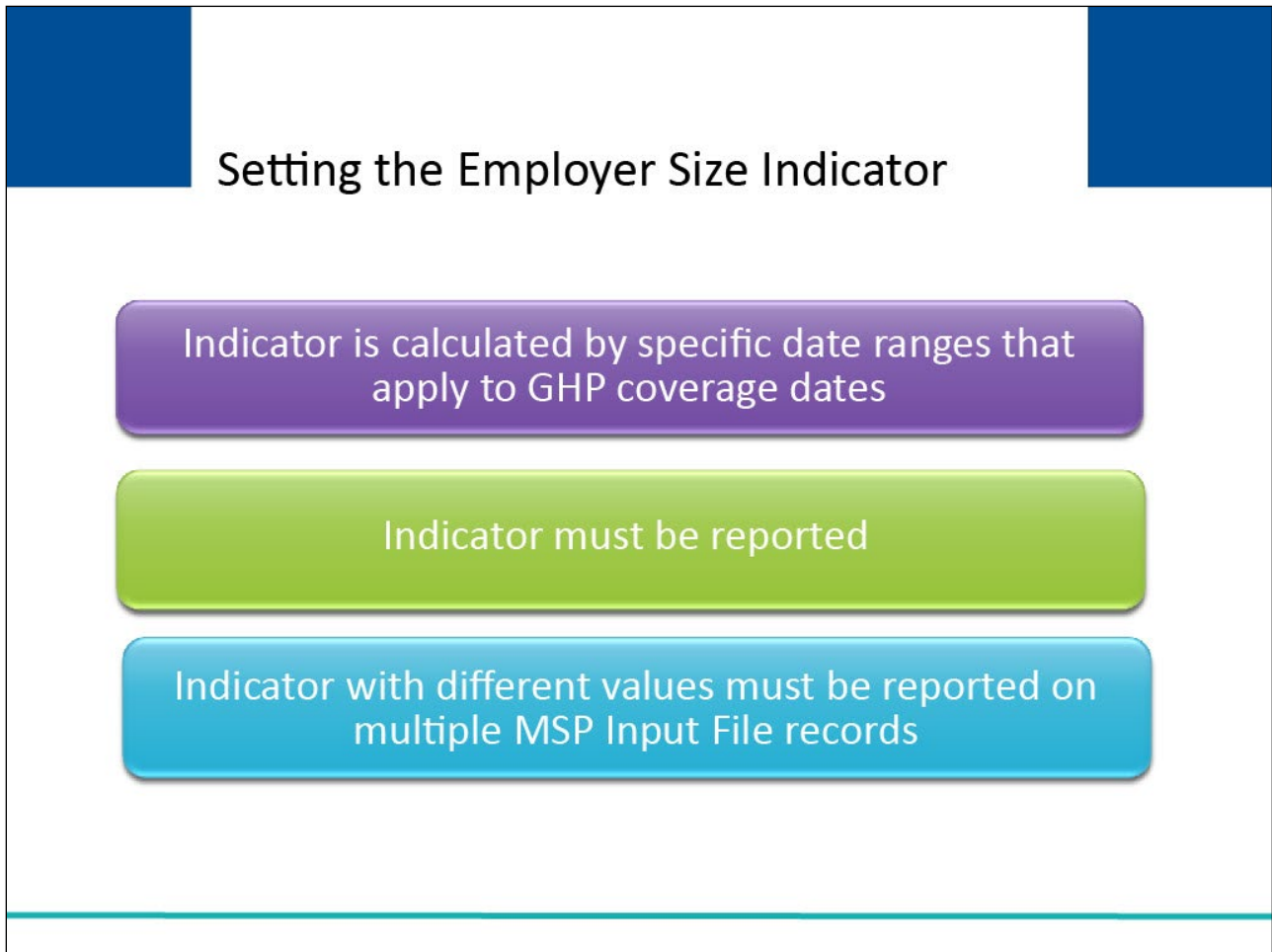 - Calendar week, and
  - Calendar year

Slide notes

It is recommended that RREs obtain employer size information from employers on at least a yearly basis.

This information must include enough detail for the RRE to make the employer size determination according to the MSP regulations (20 or more full and/or part-time employees for 20 weeks or more in the current or previous calendar year or 100 or more full and/or part-time employees for 50% or more of the employer's business days in the previous calendar year).

RREs need to retain employee counts or changes to those counts by employer, by business day, by calendar week, and by calendar year in their internal systems database.

Slide 7 of 34 - Setting the Employer Size Indicator

Setting the Employer Size Indicator

Indicator is calculated by specific date ranges that apply to GHP coverage dates

Indicator must be reported

Indicator with different values must be reported on multiple MSP Input File records

Slide notes

Employer size indicator must be calculated and stored by specific date ranges that apply to GHP coverage dates.

When GHP coverage is reported, the employer size indicator associated with the specific GHP coverage dates must be reported on the record.

If the employer size indicator has different values during the span of the GHP coverage dates to be reported, multiple MSP Input File records must be submitted to reflect that.

Slide 8 of 34 - Setting the Employer Size Indicator

Slide notes

On January 1st, the employer size indicator could be determined by the following series of checks:

If the employer had 100 or more full and/or part-time employees during the prior calendar year for 50% or more of the employer's business days, then set the indicator to '2'.

Otherwise, if the employer had between 20 and 99 full and/or part-time employees for 20 or more calendar weeks in the prior calendar year, then set the indicator to '1'.

Otherwise, if the employer did not have 20 or more full and/or part-time employees for 20 or more calendar weeks in the prior calendar year, then set the indicator to '0'.

Note: The 20 or more calendar weeks do not need to be consecutive.

Slide 9 of 34 - Setting the Employer Size Indicator

Setting the Employer Size Indicator

- If RRE is unable to obtain the employer size in order to report timely

  - Set Employer Size = 2 (100 or more employees) and

  - Correct with Update Records when an accurate size can be calculated

- If indicator is different than what was previously reported

  - Submit appropriate Update and Add Transactions to reflect change

- Employer size indicator for a multi-employer/multiple employer plan is based on largest employer in the plan

Slide notes

If an RRE is unable to obtain the employer size related to a GHP in order to report timely, the Employer Size should be defaulted to a value of '2' (100 or more employees) and then later corrected with update records as needed when an accurate size can be calculated.

If the indicator is different than what was previously reported, then submit the appropriate update and add transactions to reflect the change in size.

Note: This will be discussed in more detail later in this CBT. Remember that the employer size indicator for a multi-employer/multiple employer plan is based on the largest employer in the plan.

Slide 10 of 34 - Setting the Employer Size Indicator

Setting the Employer Size Indicator

- Inform employers to notify RRE when changes occur that may impact employer size determination related to
  - 20 or more employee requirement, and
  - 100 or more employee requirement

Employer must notify RRE when they have increased to

- A size of 20 or more full and/or part-time employees for 20 or more weeks during the current calendar year, and/or
- A size of 100 or more full and/or part-time employees for 50% or more of their business days
- Note: 20 or more calendar weeks do NOT need to be consecutive

Slide notes

RREs must inform employers that they are responsible for notifying the RRE of any changes that occur during the course of a calendar year that could impact the employer size determination related to the 20 or more employee requirement and the 100 or more employee requirement.

In other words, the employer must notify the RRE when they have increased to a size of 20 or more full and/or part-time employees for 20 or more calendar weeks during the current calendar year, and/or when they have increased to a size of 100 or more full and/or part-time employees for 50% or more of their business days so that the RRE can submit the appropriate changes for GHP coverage dates affected by the change in a timely manner for Section 111 reporting. Note: The 20 or more calendar weeks do NOT need to be consecutive.

Slide 11 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP Employer Size Indicator

- Changes from fewer than 20 employees to 20 or more
  - Submit update transaction for any previously reported and accepted records to terminate existing MSP Occurrence
    - Termination Date = day before employer size indicator changed
- Submit add transaction with new employer size indicator
    - Effective Date = date the employer size indicator changed
- Changes from 20 or more employees to fewer than 20
  - Submit update transaction for any previously reported and accepted records to terminate existing record, and
  - Submit add transaction to reflect new employer size indicator
- Remember: Update transactions only needed for records that received 01 Disposition Code

Slide notes

If the employer size indicator changes from fewer than 20 employees to 20 or more or the employer size indicator changes from less than 100 employees to 100 or greater, any previously reported records accepted with a '01 disposition code must have an update transaction submitted to terminate the existing MSP Occurrence.

The Termination Date on the update record will be the day before the date the employer size indicator changed. A new add transaction must be also submitted to reflect the new employer size indicator.

The Effective Date of the GHP coverage on the add record is set to the date the employer size indicator changed.

If the employer size indicator changes from 20 or more employees to fewer than 20 employees or employer size decreases from 100 employees or greater to less than 100, any previously reported records previously accepted with a 01 Disposition Code must have an update transaction to terminate the existing record and an add transaction must be submitted to reflect the new employer size indicator.

Remember: Update transactions are only necessary for records that previously received a 01 Disposition Code.

The following slides will demonstrate the MSP determination for when an employer's size increases from fewer than 20 employees to 20 or more employees.

Slide 12 of 34 - Changing Information Used to Determine MSP

Slide notes

Suppose an RRE previously submitted add records for their 10 employees and spouses with an Employer Size value equal to 0 meaning 1 to 19 employees.

This employer did not employ 20 or more employees for 20 or more weeks in 2008, so Medicare must be primary to GHP coverage at the start of 2009. Since MSP does not exist, an SPES error code will be returned.

Slide 13 of 34 - Changing Information Used to Determine MSP

Slide notes

On 1/5/2009, this employer hired an additional 10 employees who worked for 20 or more calendar weeks in 2009. Starting week 20 of 2009 (5/18/2009), the GHP became the primary payer under the Working Aged provision and remains primary for the remainder of GHP coverage in 2009 because the 20 or more employee threshold was met as of this date.

Remember, as soon as the 20-employee threshold is met, Medicare becomes the secondary payer under the Working Aged provision for the remainder of that year and through the next year.

The 20 or more calendar weeks do not have to be one consecutive block of time. The GHP may become the primary payer anytime the 20 or more calendar week criteria is met, depending on when people start and stop work.

Note: As of 5/18/2009, the RRE must change the employer size indicator from a value of 0 to a value of 1.

Slide 14 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
under 20 employees to 20 or more

- In RRE's second quarterly submission, they must submit add transactions for any
  - Previously submitted records that received an SPES error code, as long as the individual still meets the definition of an Active Covered Individual, and
  - New employee who meets the definition of an Active Covered Individual
- Note: Update records are not required for any previously submitted record that did not receive a 01 Disposition Code

Slide notes

Continuing from our previous example, the RRE must submit add transactions in their second quarterly submission.

Add transactions must be submitted for those records that previously received an SPES error code as long as the individual still meets the definition of an Active Covered Individual.

Add transactions must also be submitted for any other new employee who meets the definition of an Active Covered Individual.

Note: Update records are not required for any previously submitted record that did not receive a 01 Disposition Code.

Slide 15 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
under 20 employees to 20 or more

Add Record	
Field	**Value**
Transaction Type	0
Employer Size	1 (employer with 20-99 employees)
Effective Date	5/18/2009 (or the effective date of a particular individual's GHP coverage if that is *after* 5/18/2009)

Slide notes

The add transaction should include the following data elements: the Transaction Type = 0 (Add) and the new Employer Size = 1 (the value of an employer with 20 - 99 employees).

The Effective Date for these add records will be 5/18/2009, the date the employer reached 20 employees for 20 weeks during the current calendar year, or the effective date of a particular individual's GHP coverage if that is after 5/18/2009.

Slide 16 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP Employer Size Increase

- If employer size increases from fewer than 100 employees to 100 or more
  - Any previously reported records must have an update transaction submitted to terminate the existing MSP Occurrence
  - Add transaction must be submitted to reflect the new employer size
    - Effective Date is the date Medicare becomes secondary under the Disability provisions
      - An increase in size from fewer than 100 employees to 100 or more employees can only be effective as of January 1st
  - Termination Date will always be the day before the Effective Date that is used on the add transaction

Slide notes

If employer size increases from fewer than 100 employees to 100 or more, any previously reported records must have an update transaction submitted to terminate the existing MSP Occurrence

and a new add transaction must be submitted to reflect the new employer size. When employer size increases, the Effective Date of the add transaction is the date Medicare becomes secondary under the Disability provisions.

An increase in size from fewer than 100 employees to 100 or more employees can only be effective as of January 1st.

The Termination Date on the update transaction will be the day before the Effective Date that is used on the add transaction.

The following slides will demonstrate MSP determination when an employer's size increases from fewer than 100 employees to 100 or more employees.

Slide 17 of 34 - Changing Information Used to Determine MSP

Slide notes

Suppose an RRE previously submitted add records for their 40 employees and spouses. On the original add record, the Employer Size was entered with a value equal to 1 meaning 20 to 99 employees.

39 of the original add records were accepted with a 01 Disposition because these beneficiaries were entitled to Medicare due to age.

However, the add record for John Smith was rejected with an SPES error code because Mr. Smith was entitled to Medicare due to disability and the Employer Size is fewer than 100.

During 2009, this employer hired an additional 100 employees who were employed for 50% or more of its business days in 2009.

Therefore, the GHP will now be the primary payer of benefits for Mr. Smith under the Disability provision for all of 2010.

Slide 18 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
under 100 employees to 100 or more

Update Record	
Field	**Value**
Transaction Type	2
Employer Size	1 (same value previously reported)
Termination Date	12/31/2009 (last day Employer Size of 1 is relevant)
All other fields	Should match values sent previously

Slide notes

Continuing with this example, since the GHP is the primary payer of benefits for Mr. Smith under the Disability provision for all of 2010, the RRE should submit an update record for each previously accepted record on their next quarterly update MSP Input File. The update transaction should include the following data elements:

the Transaction Type = 2 (Update), the Employer Size = 1 (the value entered on original submission),

the Termination Date = 12/31/2009, the last day the Employer Size of 1 is relevant. All other fields should match the values that were sent on the original add record.

Slide 19 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
under 100 employees to 100 or more

- RRE must also submit add transactions for
  - Previously accepted records
  - Any new employee meeting the definition of an Active Covered Individual
  - Mr. Smith, to document the fact that the disability criteria for MSP have now been met

Add Record	
Field	**Value**
Transaction Type	0
Employer Size	2 (employer with 100 or more employees)
Effective Date	1/1/2010 (date new employer size indicator became effective)

Slide notes

The RRE should also submit add transactions for both the previously accepted records and for any new employee who meets the definition of an Active Covered Individual.

These add records will document the effective date of the new Employer Size. Additionally, the RRE should submit an add record for Mr. Smith to document the fact that the Disability criteria for MSP have now been met.

The add transaction should include the following data elements: the Transaction Type = 0 (Add), the Employer Size = 2 (the new value - employer with 100 or more employees), the Effective Date = 1/1/2010, the date the new employer size change became effective. All other fields should be submitted with the RRE's most current information.

Note: An update record is not required for Mr. Smith because the original add record that was submitted for him was not accepted with a 01 Disposition.

Slide 20 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP Employer Size Change Summary

- Submitted Termination Date is generally later than the date the actual employer size change occurred
- RREs must determine if the change in employer size indicator impacts the order in which benefits should be paid
- If Medicare is becoming primary or secondary under Working Aged or Disability provisions
    - RRE must submit update transactions for all affected Active Covered Individuals
    - See 42 C.F.R. 411.101 and 411.170

Slide notes

When an employer size change occurs, the submitted Termination Date will generally be later than the date the actual employer size change occurred.

This is because of the way the Medicare regulations work. When an employer size changes, RREs must determine if the change in the employer size indicator impacts the order in which benefits should be paid.

If Medicare is becoming primary or secondary under either the Working Aged or Disability provisions, the RRE must submit update transactions for all affected Active Covered Individuals.

The determination of the primary payer should be made, in part, by applying the employer size regulations found at 42 C.F.R. 411.101 and 411.170.

Slide 21 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Decrease

- Employer size decreases from 20 or more employees to fewer than 20, or 100 or more employees to fewer than 100

  - Any previously reported records must have an update transaction submitted to terminate the existing MSP Occurrence

  - Add transaction must be submitted to reflect the new employer size

  - Effective Date of add transaction is the date Medicare becomes primary under the Working Aged or Disability provisions

  - Termination Date will always be the day before the Effective Date

Slide notes

If employer size decreases from 20 or more employees to fewer than 20, or employer size decreases from 100 or more employees to fewer than 100, any previously reported records must have an update transaction submitted to terminate the existing MSP Occurrence and a new add transaction must be submitted to reflect the new employer size.

When employer size decreases, the Effective Date of the add transaction is the date Medicare becomes primary under the Working Aged or Disability provisions.

The Termination Date on the update record will be the day before the Effective Date.

The following slides demonstrate MSP determination for when an employer's size decreases from either 20 or more employees to fewer than 20 employees or from 100 or more employees to fewer than 100 employees.

Slide 22 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
20 or more employees to under 20

- RRE previously submitted add records accepted by the BCRC for all 40 employees and spouses

    ▪ Employer Size entered with a value of 1 (20-99 employees)

- During 2009, this employer employed 20 or more employees for the entire year

    ▪ GHP will be the primary payer of benefits under the Working Aged provision for all of 2010

Slide notes

In this example, a Responsible Reporting Entity previously submitted add records which were accepted by the Benefits Coordination & Recovery Center or BCRC) for all of their 40 employees and spouses.

On the original add record, the employer size was entered with a value equal to 1, meaning 20 to 99 employees. During 2009, this employer employed 20 or more employees for the entire year.

Based upon the fact that the employer employed 20 or more employees for all of 2009, we know that the GHP will be the primary payer of benefits under the Working Aged provision for GHP coverage in all of 2010.

In this example, an RRE previously submitted add records which were accepted by the Benefits Coordination & Recovery Center (BCRC) for all of their 40 employees and spouses.

On the original add record, the employer size was entered with a value equal to 1, meaning 20 to 99 employees. During 2009, this employer employed 20 or more employees for the entire year.

Based upon the fact that the employer employed 20 or more employees for all of 2009, we know that the GHP will be the primary payer of benefits under the Working Aged provision for GHP coverage in all of 2010.

Slide 23 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
20 or more employees to under 20

- On 1/31/2010, company terminated 25 employees, making their total number of employees 15

- RRE should submit update transactions on the next quarterly update MSP Input File

Update Record - Terminated Employees	
Field	**Value**
Transaction Type	2
Employer Size	1 (same value previously reported)
Termination Date	1/31/2010 (last day of employment)

Slide notes

Continuing with this example, on 1/31/2010, the company was forced to terminate 25 employees due to the recession, making their total number of employees 15.

Upon learning of the 25 employees that were terminated, the RRE should submit update transactions for the terminated employees and their spouses on their next quarterly update MSP Input File.

The update transaction should include the following data elements: the Transaction Type = 2 (Update), the Employer Size = 1 (the value entered on original submission), the Termination Date = 01/31/2010,

the last day of employment for the terminated employees. All other fields should match the values that were sent on the original add record.

Slide 24 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
20 or more employees to under 20

- GHP remains primary payer under the Working Aged provision for remaining 15 employees/spouses throughout 2010
  - Update transaction should not be submitted until the employer size indicator is re-evaluated as of 1/1/2011
  - RRE will determine how many employees were employed for 20 or more weeks during the calendar year

Slide notes

Since the GHP remains the primary payer under the Working Aged provision for the remaining 15 employees and their spouses throughout the remainder of calendar year 2010,

the employer size indicator remains the same and an update transaction should not be submitted for these employees until the employer size indicator is re-evaluated as of 1/1/2011.

At this point, the RRE will determine how many employees were employed for 20 or more weeks during the calendar year and submit any required update transactions to reflect changes made to the employer size indicator.

Slide 25 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
20 or more employees to under 20

- On 1/1/2011, RRE determined that the number of employees for this employer remained under 20 for the remainder of 2010
  - Medicare is primary to the GHP under the Working Aged provision as of 1/1/2011
  - RRE should submit update transactions for remaining 15 employees and their spouses on their next quarterly update MSP Input File

Update Record - Employees still employed	
Field	Value
Transaction Type	2
Employer Size	1 (same value previously recorded)
Termination Date	12/31/2010 (last day GHP was the primary payer)

Slide notes

Continuing with this example, on 1/1/2011, the RRE determined that the number of employees for this employer remained under 20 for the remainder of 2010.

Since the employer did not employ 20 or more employees for 20 or more weeks in 2010, Medicare is primary to the GHP under the Working Aged provision starting 1/1/2011.

The employer size indicator changes to 0 as of 1/1/2011. Therefore, the RRE should submit update transactions for the 15 employees and their spouses on their next quarterly update MSP Input File.

The update transaction should include the following data elements: the Transaction Type = 2 (Update), the Employer Size = 1 (the value entered on original add record), the Termination Date = 12/31/2010, the last day that the GHP was the primary payer. All other fields should match the values that were sent on the original add record.

Slide 26 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example -
20 or more employees to under 20

- RRE should also submit add transactions for the 15 employees and their spouses to document that the Working Aged criteria for MSP are not met

Add Record - Employees still employed	
Field	**Value**
Transaction Type	0
Employer Size	0 (new value - employer with 1-19 employees)
Effective Date	1/1/2011 (date new employer size indicator became effective)

Slide notes

The RRE should also submit add transactions on their next quarterly update MSP Input File for the 15 employees and their spouses to document the fact that the Working Aged criteria for MSP are not met.

The add transaction should include the following data elements: the Transaction Type = 0 (Add), the Employer Size = 0 (the new value - employer with 1-19 employees), the Effective Date = 1/1/2011,

the date the new employer size indicator change became effective. All other fields should be submitted with the RRE's most current information.

Slide 27 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example 2

- In 2010, RRE submitted add records for all of their Active Covered Individuals, which were accepted
  - Employer size was entered as 1 (20-99 employees)
  - GHP was not a multi-employer or multiple employer plan, therefore
    - GHP was primary payer of benefits under the Working Aged provisions and
    - Medicare was primary payer of benefits under the Disability provisions
- On 1/1/2011, RRE determined that the number of employees for this employer remained 80 for all of 2009
  - Medicare remains primary payer of benefits under Disability provisions
  - GHP remains the primary payer under the Working Aged provisions
  - No change is made to the employer size indicator as of 1/1/2011 and no update transactions are required for previously posted records

Slide notes

In this new example, an RRE, in early 2010, submitted add records for all of their Active Covered Individuals, which were accepted by the BCRC.

When the add records were submitted, the employer had 80 employees, so the Employer Size value that was entered was 1, meaning 20 to 99 employees.

The GHP for the employer was not a multi-employer or multiple employer plan; thus, the GHP was the primary payer of benefits under the Working Aged provisions and Medicare was the primary payer of benefits under the Disability provisions of MSP.

On 1/1/2011, the RRE determined that the number of employees for this employer remained 80 for all of 2009.

Since Medicare remains the primary payer of benefits under the Disability provisions of MSP and the GHP remains the primary payer under the Working Aged provisions, no change is made to the employer size indicator as of 1/1/2011, and therefore, no update transactions are required for previously posted records.

Slide 28 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example 2

- On 11/1/2011, the employer purchased another company that had 30 employees
    - Employer Size has increased to 110
- On 1/1/2012, RRE calculated the number of employees for the previous calendar year and determined that although the company now has 100 or more employees
    - Medicare remains primary payer of benefits under Disability provisions
        - Employer did not have 100 or more employees on 50% or more of its regular business days during 2011
    - No change is made to the employer size indicator as of 1/1/2012 and no update transactions are required for previously posted records

Slide notes

Continuing with this example, on 11/1/2011, the employer purchased another company that had 30 employees. With the purchase, the total number of employees at the company is 110.

On 1/1/2012, the RRE calculated the number of employees for the previous calendar year and determined that although the company now has 100 or more employees,

Medicare remains the primary payer of benefits under the Disability provisions of MSP because the employer did not have 100 or more employees on 50% or more of its regular business days during the preceding calendar year, 2011.

No change is made to the employer size indicator as of 1/1/2012, and no update transactions are required for previously posted records.

Slide 29 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example 2

- On 1/1/2013, RRE calculated the number of employees for the previous calendar year and determined that the employer had 100 or more employees for all of 2012

- RRE must send both an update and an add transaction for all Active Covered Individuals affected by the change in Employer Size field

Slide notes

On 1/1/2013, the Responsible Reporting Entity calculated the number of employees for the previous calendar year (2012) and determined that the employer had 100 or more employees for all of 2012.

Therefore, the Responsible Reporting Entity must send both an update transaction and an add transaction for all of the Active Covered Individuals affected by the change in the Employer Size field on their next quarterly update MSP Input File.

On 1/1/2013, the RRE calculated the number of employees for the previous calendar year (2012) and determined that the employer had 100 or more employees for all of 2012.

Therefore, the RRE must send both an update transaction and an add transaction for all of the Active Covered Individuals affected by the change in the Employer Size field on their next quarterly update MSP Input File.

Slide 30 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example 2

Field	Value
Update Record	
Transaction Type	2
Employer Size	1 (same value previously reported)
Termination Date	12/31/2012 (last day Medicare is primary under Disability MSP)
All other fields	Should match values sent previously

Slide notes

The update record for each affected record will include the following data elements: Transaction Type = 2 (Update); Employer Size = 1 (the value entered on original submission);

Termination Date = 12/31/2012 (the last day Medicare is primary under Disability MSP, which is the last day the employer size indicator was 1); and all other fields should match the values that were sent on the original record.

Slide 31 of 34 - Changing Information Used to Determine MSP

Changing Information Used to Determine MSP
Employer Size Change Example 2

Add Record	
Field	**Value**
Transaction Type	0
Employer Size	2 (new value - employer with 100 or more employees)
Effective Date	1/1/2013 (first day GHP is primary under Disability MSP)
All other fields	Submit most current information

- As of 1/1/2013, Medicare would be the secondary payer under the Working Aged and Disability provisions of MSP

- Both the update and add transactions should be submitted on the first quarterly update MSP Input File in 2013

Slide notes

The add record will include the following data elements: Transaction Type = 0 (Add); Employer Size = 2 (the new value - used for an employer with 100 or more employees);

Effective Date = 1/1/2013 (the first day the GHP is primary under the Disability provisions of MSP.

This is the day after the Termination Date of the update record previously described and reflects when the employer size indicator changed to 2.); and all other fields should be submitted with the RRE's most current information.

As of 1/1/2013, Medicare would be the secondary payer under the Working Aged and Disability provisions of MSP. Both the update and add transactions should be submitted on the first quarterly update MSP Input File in 2013.

Slide 32 of 34 - Course Summary

Slide notes

This course reviewed the RRE's responsibilities for calculating and submitting updates to employer size and identifies the valid values for the Employer Size field. The CBT concluded with examples of how to report Employer Size changes.

Slide 33 of 34 - Conclusion

Slide notes

You have completed the MSP Employer Size Guidelines for Group Health Plan Arrangements - Part II course. Additional information on the calculation of employer size can be found at the following link: http://www.cms.gov/.

Slide 34 of 34 - Survey

Slide notes

If you have any questions or feedback on this material, please go the following URL: https://www.surveymonkey.com/s/GHPTraining.