CMS Manual

System

Pub 100-05 Medicare Secondary Payer

Transmittal 33

Department of Health & Human Services

Centers for Medicare &

Medicaid Services

Date: AUGUST 12, 2005 Change Request 3768

NOTE: Transmittal 28, dated April 8, 2005 is rescinded and replaced with Transmittal 33, dated August 12, 2005. There were changes to the address in section 10.4 of the manual. All other information remains the same.

SUBJECT: Working Aged Exception for Small Employers in Multi-Employer Group Health Plans (GHPs)

I. SUMMARY OF CHANGES: Effective with these instruction, the Coordination of Benefits Contractor (COBC) will process requests for working aged Small Employer Exceptions. These instructions explain regulations to obtain exceptions and provides a model letter for contractors to submit any inquiries or requests.

NEW/REVISED MATERIAL:

EFFECTIVE DATE: May 20, 2005

IMPLEMENTATION DATE: May 20, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED - Only One Per Row.

R/N/D	Chapter / Section / SubSection / Title
R	2/10/10.4/Working Aged Exception for Small Employers in Multi-Employer Group Health Plans (GHPs)

III. FUNDING:

Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

Business Requirements Manual Instruction

*Unless otherwise specified, the effective date is the date of service.

Attachment - Business Requirements

Pub. 100-05 Transmittal: 33 Date: August 12, 2005 Change Request 3768

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SUBJECT: Working Aged Exception for Small Employers in Multi-Employer Group Health Plans (GHPs)

I. GENERAL INFORMATION

A. Background:

Clarification regarding the process of requesting a small employer group exception is required to further explain the policy.

B. Policy:

The working aged MSP provision applies only to GHPs of employers with 20 or more employees including a multi-employer plan in which one of the participating employers meets that condition. An employer is considered to have 20 or more employees for each working day of a particular week if the employer has at least 20 full-time or part-time employees on its employment rolls each working day of that week. Where an employer does not have 20 or more employees in the preceding year, it is required to offer its employees and spouses age 65 or over primary coverage beginning with the point in time at which the employer has had 20 or more employees on each working day of 20 calendar weeks of the current year. Effective with these instructions, the Coordination of Benefits Contractor (COBC) will process requests for Small Employer Exceptions. These instructions explain regulations to obtain exceptions. Additionally, a PC generated model interim letter is included for contractors to issue should requests be sent directly to them.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

[&]quot;Should" denotes an optional requirement

Requirement	Requirements	Responsibility ("X" indicates the							
Number		co	columns that apply)						
		F	R	C	D				
		I	H	a	M	Maintainers			
			H	r	E	F M V C			
			1	r	R	I C M W			
				1	C	SSSF			
				e r		S			
				r		S			

Requirement	Requirements		_			•		indi	cate	es the
Number		co	lum	ns 1	that	app	oly)			
		F I	R C H a H r I r i e r	a	D M	Shared System Maintainers			m	Other
				r i	E R C	F I S S	M C S	V M S	C W F	
3768.1	All inquiries and requests submitted directly to contractors shall be forwarded, with all accompanying documentation, to the COBC for further action.	X	X	X	X					
3768.2	Upon forwarding of requests and inquiries with accompanying documentation, contractors shall issue the PC generated model interim reply letter.	X	X	X	X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)							
		FI	R H H I	C a r r i e r	D M E R C	Shared Mainta F M I C S S S	iners	С	Other
	None.								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: none

X-Ref Requirement #	Instructions
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3768.1 Existing demands shall remain and collections pursued.	
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B. Design Considerations: none

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: None

D. Contractor Financial Reporting /Workload Impact: None

E. Dependencies: None

F. Testing Considerations: None

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: May 20, 2005	Medicare contractors shall
Implementation Date: May 20, 2005	implement these instructions within their current operating budgets.
Pre-Implementation Contact(s): Tina Merritt	budgets.
Post-Implementation Contact(s): Tina Merritt	

stUnless otherwise specified, the effective date is the date of service.

Medicare Secondary Payer (MSP) Manual

Chapter 2 - MSP Provisions

10.4 – Working Aged Exception for Small Employers in Multi-Employer Group Health Plans (GHPs)

(Rev. 33, Issued: 08-12-05; Effective/Implementation: 05-20-05)

A multi-employer GHP having at least one employer participating that has at least one employer with 20 or more employees may **prospectively** request to except employees (and their spouses) of identified employers with fewer than 20 employees from the working aged provision. Such members and their spouses are not subject to the working aged provision once an exception has been granted as long as the employer continues to meet the requirements for the exception.

Be advised that it is the GHP's responsibility to provide written updates of any information that may affect the original exception request (updates should include identification of any employees not previously identified as well as information on any terminated coverage issues, etc.) to the COBC as soon as any changes take place. Updates must be submitted in writing.

If a Small Employer Exception inquiry or request is submitted directly to an FI, Carrier, or DMERC, it shall be forwarded to the COBC within 14 calendar days of receipt (this includes the previously specified documentation). The contractor shall simultaneously issue the PC generated model interim response shown in Exhibit A. Additionally, if the contractor receives an inquiry or request via telephone, the contractor shall inform the caller that the COBC is responsible for addressing such issues. The contractor will then direct the caller to submit the inquiry or request in writing to the COBC.

Exhibit A

[Insert: DATE]

[Insert: Name of Individual/Entity Who Made the Inquiry]

[Insert: Street Address]

[Insert: City, State, Zip]

Re: Procedures for Excepting Small Employers Participating in a Multi-employer

Plan for the Working Aged

[Insert: Name of employer and/or GHP if included in the inquiry]

Dear (Sir/Madame)

Thank you for your inquiry on the multi-employer exception to the Medicare Secondary Payer provisions for the working aged employers with less than 20 employees. In order for your inquiry to be appropriately addressed, it will be forwarded to the Coordination of Benefits Contractor (COBC). After reviewing your inquiry, the COBC will respond accordingly.

Please be advised that it is the GHP's responsibility to provide written updates of any information that may affect/change the original exception request. Updates include identification of any employees not previously identified as well as information on any terminated coverage issues, etc. This information must be submitted to the COBC as soon as any change takes place. Updates must be submitted in writing directly to the COBC at the address provided below.

Medicare Coordination of Benefits Attn: Small Employer Exception Request P.O. Box 125 New York, NY 10274-0125

If you have any questions concerning this letter, please call the COBC at 1-800-999-1118.

Sincerely,