



Office of Financial Management/Financial Services Group

February 28, 2011

Implementation of Medicare Secondary Payer Mandatory Reporting Provisions in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (See 42 U.S.C. 1395y(b)(7) & (8))

ALERT: Group Health Plan (GHP) – Employer and Insurer/TPA TIN Submission

This ALERT provides information related to the submission of tax identification numbers (TINs) on Section 111 Medicare Secondary Payer (MSP) Input and TIN Reference Files. Valid Employer (or other plan sponsor) and Insurer/Third Party Administrator (TPA) TINs, along with associated name and mailing address fields, are required data elements and represent critical information used by Medicare for recovery purposes. Failure to supply accurate TIN information puts a responsible reporting entity (RRE) at risk of non-compliance with Section 111 Mandatory Reporting requirements.

Beginning in October 2011, CMS will *reject* records submitted with invalid TIN and TIN address information instead of returning Compliance Flag Codes, as is done now. Prior to October 2011, RREs are required to examine the compliance flags returned on the MSP Response File and take corrective action to resolve issues with TIN and TIN address field submissions.

Employer/Other Plan Sponsor TINs

The Employer (or other plan sponsor) TIN associated with reported GHP coverage is submitted in Field 21 of the MSP Input File Detail Record. For each Employer TIN submitted on the MSP Input File, a corresponding TIN Reference File Detail Record must be submitted on the TIN Reference File with a TIN Indicator (Field 8) of "E", "F", "S", or "Z".

RREs are reminded that the allowance for the use of Employer Pseudo-TINs, represented by a "Y" in the TIN Reference File TIN Indicator field, **expired on January 1, 2010**. The use of Pseudo-TINs is strictly limited to cases where the employer or other plan sponsor represents a foreign entity with no valid Internal Revenue Service-assigned TIN and is submitted with a TIN Indicator value of "Z". No other use of a Pseudo-TIN is permitted. Entering a value of "Y" in Field 8 will generate an error.

If you have used Employer Pseudo-TINs or submitted invalid TINs for domestic employers on previous MSP Input and TIN Reference File submissions, you must ensure that corrected TINs are sent in an updated TIN Reference File. You must also submit the corrected/valid Employer TINs on update transactions for all corresponding, previously submitted and accepted, MSP Input Detail Records on the MSP Input File. Submission of an updated TIN Reference File alone will **not** result in any corrections to previously accepted records.

Currently, Compliance Flag Code "02" on an MSP Response File Detail Record indicates that either the record was associated with 1) an Employer TIN that cannot be validated by the system

(considered an invalid TIN) or 2) a TIN submitted on the TIN Reference File with a TIN Indicator of “Y”.

- If the Employer TIN was invalid, submit the corrected TIN on a TIN Reference File Detail Record and submit update transactions for all related, previously submitted and accepted, MSP Input File Detail Records. Submission of an updated TIN Reference File alone will not result in any corrections to previously accepted records.
- If the Employer TIN was submitted as a Pseudo-TIN with a “Y” in the TIN Indicator, submit a valid TIN on a TIN Reference File Detail Record, with the proper TIN Indicator value, and submit update transactions for all related, previously submitted and accepted, MSP Input File Detail Records. Submission of an updated TIN Reference File alone will not result in any corrections to previously accepted records.
- If you received the “02” compliance flag for a TIN that you believe to be valid, contact your EDI representative. With sufficient documentation, your EDI representative can update the Coordination of Benefits Contractor’s (COBC’s) Section 111 system with this information so that the compliance flag will not be returned on future file submissions. In this case, you do not have to resubmit the TIN or MSP Detail Records.

NOTE: As of October 1, 2011, you will no longer receive the Compliance Flag Code of “02” for an invalid TIN; you will receive an error code. MSP and TIN records submitted with invalid Employer/other plan sponsor TINs (including Pseudo-TINs) will be *rejected* and not considered acceptable for Section 111 reporting.

Insurer/TPA TINs

The Insurer/TPA TIN associated with reported GHP coverage is submitted in Field 22 of the MSP Input File Detail Record. For each Insurer/TPA TIN submitted on the MSP Input File, a corresponding TIN Reference File Detail Record must be submitted on the TIN Reference File with a TIN Indicator (Field 8) of “I”.

RREs are reminded that valid Insurer/TPA TINs must be submitted. Pseudo-TINs are not permitted under any circumstances for Insurer/TPA TINs.

Compliance Flag Code “01” on an MSP Response File Detail Record indicates that the record was associated with an Insurer/TPA TIN that cannot be validated by the system.

- If the Insurer/TPA TIN is invalid, submit the corrected TIN on a TIN Reference File Detail Record and submit update transactions for all related, previously submitted and accepted, MSP Input File Detail Records. Submission of an updated TIN Reference File alone will not result in any corrections to previously accepted records.
- If you received the “01” compliance flag for a TIN that you believe to be valid, contact your EDI representative. With sufficient documentation, your EDI representative can update the COBC Section 111 system with this information so that the compliance flag will not be returned on future file submissions. In this case, you do not have to resubmit the TIN or MSP Detail Records.

NOTE: As of October 1, 2011, you will no longer receive the Compliance Flag Code of “01” for an invalid TIN; you will receive an error code. MSP and TIN records submitted with invalid Insurer/TPA TINs will be *rejected* and not considered acceptable for Section 111 reporting.