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Clarification of Medicare Secondary Payer (MSP) Rules in Relation to a Temporary Leave of Absence

Note: This article was updated on April 6, 2013, to reflect current Web addresses. All other information remains unchanged..

Provider Types Affected

All providers

Provider Action Needed



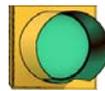
STOP – Impact to You

MSP rules state that if an employee retains their employment status, Medicare remains the secondary payer.



CAUTION – What You Need to Know

There has been confusion regarding MSP rules when an employee takes a company-approved leave of absence. Because the employee still has employee status, health coverage through their employer is retained.



GO – What You Need to Do

Stay current with rules pertaining to employees and retained employment rights to ensure accurate billing and claims processing. This article clarifies that Medicare remains a secondary payer for employees on an approved leave of absence.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Background

Examples of retained employment rights can include: company-approved temporary leave of absence for any reason, furlough, temporary layoff, sick leave, short-term or long-term disability, leave for teachers and seasonal workers who normally do not work year round, and for employees who have health coverage that extends beyond or between active employment periods. The employees in the latter category are sometimes referred to as having an “hours bank” arrangement.

Additional Information

You may also refer to the revised Publication 100-05, Chapter 1, Section 50B, which is part of the official instruction issued to your carrier/intermediary regarding this change. That instruction may be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R19MSP.pdf> on the CMS website.

If you have questions regarding this issue, you may also contact your carrier or fiscal intermediary at their toll free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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