



Office of Financial Management/Financial Services Group

---

October 12, 2010

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: SP50 Error Code Information for Group Health Plan (GHP)  
Responsible Reporting Entities (RREs)**

This ALERT provides information related to reporting Group Health Plan (GHP) information mandated by Section 111 of the MMSEA.

As is described in the Section 111 GHP User Guide, the Coordination of Benefits Contractor (COBC) posts Medicare Secondary Payer (MSP) information obtained from MSP Input Files submitted by GHP RREs to the Common Working File (CWF) for use by Medicare claims processing contractors. In addition, the COBC shares this same information with the MSP Recovery Contractor (MSPRC) for use in any recovery process.

The COBC may receive information from sources other than a Section 111 RRE concerning previously posted MSP information (MSP occurrences). These other sources may include beneficiaries, employers, Medicare claims processing contractors and the MSP Recovery Contractor. Such information may necessitate changes to GHP coverage reported as primary to Medicare. Most often, the change is the addition of a termination date to reflect when a beneficiary retired or GHP coverage ended or changed, thus making Medicare the primary payer. In general, such a change will represent a correction to outdated or erroneous data previously submitted on an RRE's Section 111 MSP Input File.

Under certain circumstances, the corrected MSP information must be carefully controlled by the COBC so that the corrected information is not subsequently changed and any Medicare payment and recovery efforts are not adversely affected. In order to do this, the associated MSP occurrence may be *locked* by the COBC. If an MSP occurrence is locked, subsequent changes submitted can only be applied by COBC staff manually.

If a Section 111 GHP RRE submits an MSP Input File with an update or delete transaction for a locked record, the change will be rejected and the MSP Response File record will be returned with a disposition code of SP and an error code of SP50. Previously, RREs were instructed to resubmit records returned with the SP50 error on their next quarterly file submission. This is no longer a valid action. The record should **NOT** be resubmitted on subsequent MSP Input Files.

Therefore, effective immediately, the description for the SP50 error code is changed to read:

<b>SP ERROR CODE</b>	<b>DESCRIPTION</b>	<b>COBC Responsible</b>	<b>RRE Responsible</b>
SP 50	Invalid function for update or delete. Matching MSP occurrence locked. No update or delete accepted via Section 111 reporting. Do <b>NOT</b> attempt to resubmit this record. Insurer/TPA RREs are advised to contact the associated employer/other plan sponsor to verify the accuracy of data submitted by the RRE. If changes are necessary, contact the COBC Monday through Friday, from 8:00 a.m. to 8:00 p.m., Eastern Time, except holidays, at toll-free lines: 1-800-999-1118 or TTY/TDD: 1-800-318-8782 for the hearing and speech impaired.		X

Other Information:

- The Section 111 GHP User Guide will be updated to include this information in the next version. In the meantime, this information for the SP50 error code supersedes the information in Version 3.1 of the guide.
- RREs are advised to investigate the reasons that an SP50 is returned. RREs are advised to contact the employer/other plan sponsor client to verify the accuracy of data previously reported by the RRE. It may indicate a problem with the RREs Section 111 reporting system or a lack of synchronization of data between an insurer/TPA and its employer/other plan sponsor client and may put the RRE at risk of non-compliance with Section 111 reporting requirements.
- RREs are advised to retain a record of SP50 errors received as documentation of failed Section 111 data submission attempts.
- If you believe that an SP50 was returned on a MSP Response File erroneously and that information reflected in your update or delete transaction must be applied to the MSP occurrence, please contact the COBC at: 1-800-999-1118 or TTY/TDD: 1-800-318-8782 for the hearing and speech impaired. A COBC Customer Service Representative will assist you in determining if this change can be made outside of your normal Section 111 file submission.
- As always, please contact your EDI Representative for assistance as needed.
- The COBC is working on changes to the way it handles information received from different sources related to the same MSP occurrence. In April 2011, new hierarchy logic will be added to the COB system that will apply to the various sources of MSP information, including Section 111 reporting. These changes will improve the integrity of MSP information and the information provided to Section 111 RREs on MSP Response Files. A separate alert will be published on this topic at a later date.