

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**CENTER FOR DRUG AND HEALTH PLAN CHOICE**

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**DATE:** January 25, 2010

**TO:** All Medicare Advantage and PACE Organizations

**FROM:** Thomas Hutchinson /s/  
Director, Medicare Plan Payment Group

**SUBJECT:** Medicare Secondary Payer Information for Plan Payment Adjustment 2010

This memorandum provides Medicare Advantage (MA) and Program of All Inclusive Care for the Elderly (PACE) organizations (referred to hereafter as Health Plans) with additional information regarding the CMS Medicare Secondary Payer (MSP) data as it relates to the MSP Plan Payment adjustment changes for Calendar Year (CY) 2010. As previously announced, this change will be implemented in June 2010 affecting the July 2010 payment, with any necessary retroactive adjustments to January 2010 also made at that time.

CMS has completed its analysis of MSP data for beneficiaries currently enrolled in Health Plans and has updated MSP period records where appropriate. A file containing the refreshed data will be sent to Health Plans on January 29, 2010. The file will include all MSP periods for a beneficiary, including Group Health Plan (GHP) and Non-GHP insurance for beneficiaries who have at least one GHP period that remains open on January 1, 2010. For the purposes of the MSP Plan Payment adjustment, Health Plans should be concerned only with GHP periods that will be open on January 1, 2010 or later, as this is the information CMS will use for the Plan Payment adjustment for MSP.

The file that CMS will provide as above is an interim source of data designed to help ensure that Health Plans have current MSP information in advance of the MSP payment adjustment implementation later this year. The file layout and details are provided in Attachment 1. Please note that this is an updated layout document and it replaces the layout provided with the HPMS Memo from November 5, 2009. CMS will provide this interim file each month, toward the end of the first full week of each month, until the routine data file of current enrollees for whom CMS records indicate that Medicare is secondary begins following the April 2010 CMS software release. Please refer to the HPMS memo: "Announcement of April 2010 Software Release," dated January 12, 2010, for additional information on the routine file. When the routine file becomes available it will replace the interim file.

Each of the records in the interim file will have at least one valid MSP period (there can be more than one). The specific valid periods (where the "validity indicator" field = 'Y' and "delete indicator" field is not equal to 'D') that will affect Health Plan payments have an MSP code of either "A" for Working Aged, "B" for ESRD or "G" for Disabled. The MSP code can be found in "MSP Code" field of the record. The "MSP Termination" date must be later than December 31, 2009 or blank for the specific

period to affect the plan payment in 2010. It is possible for one beneficiary to have more than one open, valid GHP record covering the same period. Therefore, all valid MSP periods that meet the above criteria should be considered. To determine the "Occurrence Number," plans must evaluate the position in which the specific GHP instance begins in the file provided by CMS. Refer to the attached file layout for information on these specific positions. The file naming conventions for the interim data file are as follows:

OUTBOUND from CMS to Gentran:

P.Rxxxxx.#MSP.Dyymmdd.Thhmsst.pn

OUTBOUND from CMS to Connect: Direct/Cyber fusion:

site-LQ.Rxxxxxc.#MSP.Dyymmdd.Thhmsst

If a Health Plan becomes aware that an identified MSP period should potentially be deleted, updated, added or terminated, the Health Plan must use the Electronic Correspondence Referral System (ECRS) to notify the Coordination of Benefits Contractor (COBC) of the required action. ECRS is the automated system that facilitates the submission of updated MSP data to the COBC and provides status of the request to the submitter. The Health Plan shall supply the COBC with all known information that was received via written or verbal correspondence from a reliable source, e.g., the Medicare beneficiary, insurer or employer of record. The Health Plan must retain appropriate documentation including a copy of any correspondence in its paper or electronic files for audit purposes to validate their requested action. Additional MSP instructions can be found in the CMS Internet Only Manual, publication 100-05; Medicare Secondary Payer Manual; especially Chapter 5.

CMS is providing a variety of education and resource materials to assist Health Plans. These include Computer-Based Training (CBT) modules that cover the MSP process including using ECRS. These tools are available at: <http://nhassociates.na5.acrobat.com/healthplancurriculum/> on the web.

CMS is also providing a Health Plan Questionnaire tool that may be utilized to obtain information regarding a beneficiary's other coverage, prior to submitting an ECRS request, as well as an accompanying matrix that summarizes the appropriate actions for the Health Plan to take based on the responses received.

Below please find a summary of the attachments to this document with a brief description of each:

1. Attachment 1: Updated File Layout: Interim Data File. This file is an interim source of data designed to ensure that Health Plans have current MSP information in advance of the MSP payment adjustment implementation later this year. A regular production file will replace this data source as described in the April 2010 Software Release memo, dated January 12, 2010.
2. Attachment 2: ECRS Summary. This document provides a high-level overview of the process.
3. Attachment 3: Health Plan Questionnaire template. This document provides a tool that may be used to obtain information regarding a beneficiary's other coverage.
4. Attachment 4: MA Plan Questionnaire Matrix. This document provides guidance for submitting the ECRS Assistance Request based on the responses to the questionnaire.
5. Attachment 5: PACE Plan Questionnaire Matrix. This document provides guidance for submitting the ECRS Assistance Request based on the responses to the questionnaire.

6. Attachment 6: Health Plan Curriculum. A complete list, including duration, of the Computer-Based Training (CBT) modules available on the web at:  
<http://nhassociates.na5.acrobat.com/healthplancurriculum/>
7. Attachment 7: CMS Consortia Contact List for COBC. This document provides a list of contacts at COBC, by consortia.

Thank you.