



Medicare Secondary Payer Form Instructions

When your employees are enrolled in more than one health plan, it is necessary to coordinate claim payments. We depend on information you provide to make accurate claim payment determinations for individuals enrolled in your group health plan (GHP). Federal laws dictate when the GHP is the primary payer and when Medicare is the primary payer. This is called the Medicare Secondary Payer rule, and coordination is determined by the Medicare Secondary Payer Reply Form, which needs to be completed by your group at this time.

Please read the following information, complete the attached form, and return it to us as soon as possible.

TEFRA Defined

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) made Medicare the secondary payer for certain employees and dependents. Under the TEFRA law and subsequent legislation, the group is the primary payer and Medicare is the secondary payer of claims for working aged employees and certain dependents in employer groups with 20 or more full-time and/or part-time employees.

TEFRA Criteria

When an employer has 20 or more full-time and/or part-time employees on its payroll for 20 weeks in a calendar year, the group becomes the primary payer and Medicare becomes the secondary payer for the remainder of the calendar year and the following calendar year for claims of working aged employees and certain dependents.

** The 20 weeks in a calendar year do not have to be consecutive to reach the 20/20 threshold. If your company reaches the 20/20 threshold at any time during the calendar year, please notify your Benefits Consultant or Christian Brothers Services Representative to request another Medicare Secondary Payer (MSP) Reply Form, so you can give us updated information.*

Common Ownership/Control

Companies which are under common ownership/control are treated as single employers. For example, John Smith owns 2 companies. Company A employs 3 full-time employees and 1 part-time employee, and Company B employs 6 full-time employees and 11 part-time employees. For MSP purposes, John Smith has 21 employees. Therefore, the group is the primary payer and Medicare is the secondary payer for claims of working aged employees and certain dependents.

If you have any question about TEFRA regulations, please contact your legal advisor or refer to Centers for Medicare & Medicaid Services (CMS) regulations or Internal Revenue Services (IRS) guidelines. If you have any questions about the Medicare Secondary Payer Reply Form, please contact your Benefits Consultant for assistance, or email CBEET@cbservices.org.

All groups must complete this form, regardless of whether you have employees enrolled in Medicare.

INSTRUCTIONS:

1. Carefully read the Medicare Secondary Payer Guidelines, if you need additional information and examples
2. Complete all questions on the MSP Reply Form
3. Sign and date the form
4. Email this completed form to Christian Brothers Employee Benefit Trust, Attention: Enrollment and Billing, at HBSEnrollmentHelp@cbservices.org or Fax it to 630.378.3005

Noncompliance with the MSP statute may result in serious financial consequences for an employer, which may include a fine and the IRS applying an excise tax of 25% of the group health plan expenditures for the calendar year.

For more information, please visit the below websites:

CMS.gov - MSP Letters

CMS.gov - Data Match

[IRS/SSA/CMS Data Match](http://IRS/SSA/CMS>Data%20Match) - Instructions for completing the Data Match