



Below are questions and answers we expect groups and members may ask about Medicare Secondary Payer.

General Questions

Q: Why do all carriers now have to report this information to CMS?

A: CMS needs more information for determining whether Medicare or private insurers are primary. CMS assumes that their records are always correct; therefore, they are looking to the private carriers to provide coordination of benefits (COB) information on **all** Medicare beneficiaries. As more people become Medicare-eligible, CMS is requiring carriers to report on everyone covered by group insurance since any of these members could become eligible for Medicare due to age, disability or End Stage Renal Disease (ERSD).

Q: Does the law actually require us to provide 100% of our members' SSNs?

A: CMS says we have to report on people over age 55 and those under age 55 who have Medicare. It is easy to identify those eligible for Medicare due to age and End Stage Renal Disease (ESRD), but it is impossible to identify all members who have a disability. The best way to ensure that we don't miss anyone is to obtain SSNs for **all** members, regardless of age, and report them to CMS.

Q: Who will receive communications from us about MSP?

A: We will start with our agents, brokers and groups. This regulation applies to **all** groups. Groups can provide employer TIN, group size, employee SSN and employee work status. Groups may not be able to supply (and may refuse to collect and/or supply) dependent SSNs. Any information the groups do not provide will have to be obtained from the members directly.

Q: Why does CMS want SSNs for dependents and people who are not even eligible for Medicare?

A: CMS determined that they would catch the majority of Medicare beneficiaries if they captured people age 55 and older. But because more younger people are becoming Medicare-eligible, we will collect SSNs of all members to ensure they don't fall between the cracks.

Q: What if a member doesn't have an SSN?

A: If the member does not have a valid SSN (such as newborns and foreign workers), we will not report on that member. To speed processing of member applications, these members should note that there is no SSN available.

Q: What if a member refuses to provide an SSN?

A: We will enforce our current policy that requires a member to provide requested information within a 30-day period. If needed information is not obtained, we may not enroll the member. CMS can fine us for failure to comply with the law. See the employer questions below for detailed information.

Q: What information are groups and members are required to share?

A: Groups

- Employer Identification Number (EIN) or Tax Identification Number (TIN)
- Group size as defined by Medicare's OBRA and TEFRA/DEFRA regulations (see below for more information)
- Employee's SSN (groups have to have it on file for income tax purposes)
- Employee's work status (actively employed or inactive, which includes COBRA or retired employees)
- Dependent SSNs if available to the group

Members

- Employee SSN (if unable to get from employer)
- Dependent SSN (if not already reported to the group)
- Medicare Health Insurance Claim (HIC) number for those members who have one

Member Questions

Q: Why do you need my Social Security number?

A: In order to comply with a federal law, we are providing all group members' SSNs to the Centers for Medicare & Medicaid Services (CMS), the federal agency that manages Medicare.

In order to ensure the proper coordination of benefits between Medicare and private carriers, CMS uses the SSNs to identify those Medicare members who also have group coverage.

Note: CMS has produced a document that explains the new law. Go to www.cms.hhs.gov/MandatoryInsRep.

Q: I'm not 65, so isn't it obvious that I'm not eligible for Medicare?

A: Medicare is not limited to those 65 or older. There are actually other situations that can make people eligible for coverage.

Q: What about my kids? Why would CMS need to confirm that a child doesn't have Medicare?

A: Children may become entitled to Medicare due to ESRD and/or disability. To best comply with the regulation, Asuris requires information on everyone in order to not miss COB on anyone.

Q: What if I don't have an SSN?

A: If you don't have an SSN, we cannot report you to CMS because CMS requires an SSN in order to match to their files. People without SSNs are also not eligible for Medicare coverage, so CMS would not need their information. People who do not have valid SSNs are usually foreign workers, foreign students or newborns. If this situation applies to any member of your family, please indicate that on the enrollment application.

Q: I never had to give my SSN before. Why all of a sudden?

A: When a member has both Medicare and group coverage, the Medicare Secondary Payer (MSP) laws determine whether Medicare or the group coverage should pay first. But if CMS doesn't know about a Medicare member's group coverage, Medicare may pay first instead or be the only plan that pays. But in many cases, the group coverage should pay first.

When Medicare covers charges that group plans should cover, it can add up to a lot of money. With health care costs on the rise and the Medicare population growing so rapidly, CMS is understandably committed to ensuring that all Medicare money is spent appropriately. That's why they want to make sure that Medicare and group coverage are paying for care in the correct order.

Until now, CMS has double-checked the SSNs carriers were able to provide. Still, they found that they were losing more than \$2 billion each year due to inaccurate coordination of benefits. For this reason, starting Jan. 1, 2009, we are providing SSNs for 100% of our impacted group members to help CMS accurately determine coordination of benefits.

Q: Is this the only reason you need my SSN?

A: Yes. We provide SSNs to CMS **only**. We don't share SSNs with any other entity. We may use SSNs for internal reports, but for external communications, such as claims, EOBs and other correspondence between us, you and your providers, we create an alternate member identification number.

Q: How do you protect my SSN?

A: Asuris takes its obligation to protect our members' privacy seriously. In fact, it is one of our paramount concerns. To provide full protection, we have implemented physical, technical and administrative safeguards. Access to the non-public areas of our facilities requires electronic security clearance. In addition, we use a "least privilege" standard, meaning we do not allow employees to access systems or information unless they need such access to perform their job duties.

Furthermore, our systems are monitored 24 hours per day, seven days per week. We have employed the best technology to ensure our network perimeter is secure, and we test it on a regular basis. Also, all applicants for employment with Asuris are required to pass a criminal background check and medical drug screening before they will be considered for hire. We carefully comply with all federal and state laws governing the use and disclosure of information. We have a full-time, dedicated privacy team. And, we require all employees to take a lengthy privacy and security awareness course upon hiring and to pass an assessment to demonstrate comprehension. We truly strive to earn and keep your trust.

Q: Does the collection of SSNs violate HIPAA?

A: No. We are able to collect information that we need in order to perform our job as payer. Providing CMS with their required information is part of our responsibility as a payer.

Q: What will happen if I refuse to provide my SSN?

A: If the information is not provided, we may not enroll you for coverage. CMS also imposes fines upon us for failure to comply with the law. The fine is \$1,000 for each day of non-compliance for each individual whose required information is missing. If our failure to comply is a direct result of a member's refusal to provide information, we may ask the group to share responsibility for the expense.

Q. What if I want to switch to Medicare as primary or am planning on retiring soon?

A: You can drop your group coverage and switch to Medicare. Since you would no longer have group coverage, Medicare would be primary. You would then have the option of purchasing a Medicare Supplement plan.

Q. I am eligible for Part B but didn't elect it. Am I still considered Medicare-eligible? How does that affect my coverage, if at all?

A: Yes, you are still considered Medicare-eligible. Asuris pays claims as primary for Medicare-eligible members if they have not selected Part B. If a member enrolls in Part B and they are enrolled in a group that has fewer than 20 employees based on group size as defined by Medicare, Asuris will pay secondary. This is true for our existing product portfolio as well as our new product portfolio (EmbarkSM, VantageSM, MotivateSM, and Asuris HSA Healthplan 2.0SM).

You can enroll in Medicare beginning three months before the month you turn 65 by calling or visiting your local Social Security office or by calling Social Security at 1 (800) 772-1213. For a brochure that addresses the relationship between Medicare and employer coverage ("Medicare and Other Health Benefits: Your Guide to Who Pays First"), contact your local Social Security office or visit www.medicare.gov.

Q: If I reveal to Asuris and/or my employer that I have Medicare coverage, can my employer force me off my group coverage?

A: No. Your employer cannot encourage you to drop your group coverage, nor can your employer offer to pay for your Medicare Supplement policy. Once you retire, Medicare becomes primary over any retiree group coverage you have. So if your employer offers group retiree benefits, you can enroll on that plan and have Medicare as your primary coverage.

Q. If I provide my employer with my dependent's SSN, will this mean my employer will have access to my or my family's health information?

A: No. This law does not give your employer any additional rights to information about your health or claims you incur.

Q. My family member received this mailing and is incapacitated. What do I need to do? Am I able to release their information to you?

A: If you know your family member's SSN, you may supply it to Asuris.

Q: I've changed my name. Will that matter?

A: The information on CMS's files (name, birth date, gender) is considered the official record. If the information you provided to Asuris when you enrolled with us is different from the information you have on file with the Social Security Administration (SSA), we are required by CMS to replace our information with their information. For example, if you enrolled with us as Bob Jones, DOB 1/14/1953, but are listed as Robert Jones, DOB 1/14/1952, with the SSA, you'd need to have the incorrect record fixed. This also applies to people who have enrolled with us under a married name but never changed their name with SSA.

Q: I'm on an Individual plan. Will you report my information to CMS?

A: No. The law applies only to group members.

Employer Questions

Q. What do I have to report?

A: Employer tax identification number (EIN/TIN), group size as defined by Medicare's OBRA and TEFRA/DEFRA regulations, SSN for all employees, SSN for any dependents (if it is in your files or you can collect it), and work status for each employee (actively employed or inactive, which includes COBRA or retired employees) for all employees.

Q: How will you go about collecting the information you need from me and my employees?

A: We will look first to our existing files for any needed data. When we need to obtain missing data on groups or members, we will go then to the group. When a group is unable to provide needed member SSNs, we will then turn to the members themselves.

Q: Who is ultimately responsible for providing the required information?

A: We are required to hand the data over to CMS. Employers will have to provide the employee and group information (group size, employee status, EIN/TIN and employee SSN). Employees will need to provide their dependents' SSNs. Your broker or agent or your Asuris Sales contact will be happy to assist you in identifying and collecting the needed information.

Q. I don't have any Medicare beneficiaries. Do I still need to report?

A: Yes. While none of your employees may be Medicare beneficiaries, one of them may have a dependent who is a Medicare beneficiary. Also, you may not know if one of your employees has Medicare since you have no right to know an employee's medical history.

Q. Do I need to do anything different at next enrollment time?

A: Yes. You will need to report your employer tax identification number (EIN/TIN), group size as defined by Medicare (qualification for OBRA and TEFRA/DEFRA), SSN for all employees, and SSN for any dependents (if it is on your files or you can collect it).

Q. My company has already enrolled for 2009. Do I have to re-enroll members? If not, how do you plan on collecting this information from me?

A: You do not need to re-enroll. We are currently reviewing our records to find out what information is missing for new groups. If we need any information from you, we will contact you by letter.

Q: How is group size determined?

A: Group size is determined by the number of employees working. Per CMS, an employee is "an individual who is working for an employer or an individual who, although not actually working for an employer, is receiving from an employer payments that are subject to FICA taxes or would be subject to FICA taxes except that the employer is exempt from those taxes under the Internal Revenue Code (IRC)."

Groups of 20-99 are those that have employees working "20 or more calendar weeks in the current or preceding calendar year." Groups of 100+ had 100 or more employees working, "50% of the group's regular business days during the preceding calendar year." These counts include all employees (full-time, part-time, seasonal, temporary, etc.) as defined above.

Q: What are the group sizes as defined by Medicare?

A: Medicare defines single-employer group size as follows (each employee for whom the group pays FICA taxes is considered an active employee):

	0-19 employees	Fewer than 20 full-time employees and/or part-time employees. (Review the definition for groups of 20-99 employees. If the group did not meet the minimum requirements for a group of 20-99 employees, the group would be considered to be 0-19 employees.)
TEFRA/DEFRA qualification	20-99 employees	20 or more full-time employees and/or part-time employees every working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.
OBRA qualification	100+ employees	100 or more full-time employees and/or part-time employees on 50% of the group's regular business days during the preceding calendar year.

Multi-employer group health plans

If the group is part of a multi-employer group health plan, the following information applies regarding the correct reporting of group size:

- Working aged: If the Medicare beneficiary is enrolled in a multi-employer plan, the number of people employed by his/her firm determines whether Medicare is primary or secondary, *as long as the multi-employer plan has elected to be treated as individual employers.* (Refer to the “Small Employer Exception” information below.) If the **firm** employs less than 20 people and the above election is made, Medicare is primary regardless of the number of people employed by the largest firm insured under the multi-employer plan.
- Small Employer Exception (SEE): This exception applies only to multi-employer group health plans. Employers who would be eligible to use the SEE must apply for it using the instructions on the CMS Web site: www.cms.hhs.gov/EmployerServices/05_smallemployerexception.aspx#TopOfPage. Asuris will need to report members as having the SEE. If a group wants to use the SEE, the group must report that information to CMS and Asuris.
- Disability: If the Medicare beneficiary is enrolled in a multi-employer plan, the number of people employed **by the largest firm within the multi-employer plan** determines whether Medicare is primary or secondary. If the **largest firm within the multi-employer plan** employs 100 or more people, the Plan is primary regardless of the total number of people employed by the beneficiary's firm.

Groups not taking the SEE and who are enrolled in a multi-employer group health plan should report the number of active employees **in the largest firm** within the multi-employer group health plan as the size of their individual group.

Q: What if my group size changes mid-year?

A: You will be able to submit your most up-to-date group size information at renewal. If your group size classification changes between renewal periods, please let us know.

Q: What happens if the information is not provided to CMS?

A: They can impose fines for non-compliance. Fines are \$1,000 for each day of non-compliance for each individual whose required information was missing.

Q: Who is responsible for paying those fines?

A: It depends on the circumstances of the missing information. If failure to comply is due to our own negligence, the fine is our responsibility. If our failure to comply is a result of a group or member refusing to provide required information, we may ask the group to share responsibility for the expense.

Q: What will happen if one of my employees refuses to provide an SSN?

A: If the information is not provided, we may not enroll the member. However, some situations may be handled on a case-by-case basis due to specific circumstances.