



*The New Primary Payment Notice (PPN)  
for the  
Medicare Secondary Payer (MSP)  
Group Health Plan (GHP) Recovery Process*

*November 11, 2010*

# Topics for Discussion

- **Roles & Responsibilities**
  - Coordination of Benefits Contactor
  - Medicare Secondary Payer Recovery Contractor
- **Primary Payment Notice (PPN)**
  - Purpose and Timeline
- **Overview of GHP Recovery Process**
  - Life of a GHP Recovery Case
- **Improving the Process**
  - What Employers/Other Plan Sponsors can do
  - What Insurers/TPAs can do



**ATTENTION:**



*In this presentation, the use of the term “Employer” refers to either Employers or Other Plan Sponsors. The use of the term “Insurer” refers to either Insurers or TPAs.*



# Coordination of Benefits Contractor (COBC)

vs.

## Medicare Secondary Payer Recovery Contractor (MSPRC)

- The Coordination of Benefits Contractor (COBC) and the Medicare Secondary Payer Recovery Contractor (MSPRC) are two separate entities.
- The COBC consolidates the activities that support the collection, management, and reporting of other insurance coverage for Medicare beneficiaries.
- The MSPRC is responsible for all the functions and workloads related to Medicare Secondary Payer (MSP) recovery, with the exception of provider, physician, or other supplier recovery.

# COBC

## Roles & Responsibilities

- The COBC collects information from multiple sources regarding MSP occurrences, as appropriate.
  - Section 111 Reporting
  - Beneficiary phone calls
  - IRS Data Match
  - Initial Enrollment Questionnaire (IEQ)
- The COBC is responsible for updates to MSP information including insurance updates, address changes, changes in coverage effective dates, etc.



# Contacting COBC

## By Telephone

COBC Call Center:

1-800-999-1118

1-800-318-8782 (TTY/TDD)

Hours of Operation: Monday - Friday 8am-8pm(ET)

## By Mail - General Inquiries

MEDICARE- Coordination of Benefits

P.O. Box 33847

Detroit, MI 48232 - 5847

Note: For more information on the COBC visit:

[www.CMS.gov/COBGeneralInformation](http://www.CMS.gov/COBGeneralInformation)

# MSPRC

## Roles & Responsibilities

- Responsible for identifying and recovering Medicare mistaken payments where a GHP has primary payment responsibility.
- Some of these responsibilities include:
  - Issuing a Primary Payment Notice (PPN) to verify MSP leads
  - Issuing recovery demand letters when mistaken primary payments are identified
  - Receiving payment and resolving outstanding debts
  - Referral of delinquent debt to the Department of Treasury for further collection actions, including the Treasury Offset Program, as appropriate.

# Contacting MSPRC

- Call the MSPRC at 866-677-7220 during our operating hours 8 AM - 8 PM, Monday - Friday EDT
- For the MSPRC fax number and mailing address, visit the Contact Page on our web site at [www.msprc.info](http://www.msprc.info)



# Primary Payment Notice (PPN)

# The Problem

- The MSPRC issues demand letters utilizing information reported to the COBC. Experience indicates a large number of defenses are submitted in response to these demand letters due to errors in the coverage information previously reported to the COBC.
- Prior to August 1, 2010, an average of 70% to 80% of the valid documented defenses received by the MSPRC were clarifications of GHP coverage status. These coverage defenses included (but were not limited to):
  - Coverage effective dates
  - Employee(Subscriber) retirement status
  - Coverage termination status

# The Solution

- The PPN allows Employers and Insurers the opportunity to review and validate beneficiary coverage information submitted to the COBC before a demand is issued. Corrections made during the PPN stage eliminate the issuance of erroneous demands based upon inaccurate coverage information.
- The PPN eliminates the extra work involved in reviewing/processing individual demand letters and submitting valid documented defenses for simple coverage corrections.

# PPN Contents

- The PPN goes to **both** the Employer and Insurer and will include:
  - **A cover letter**
  - **\*A PPN Worksheet including:**
    - **a list of covered individuals**
      - *Employees (that are Medicare beneficiaries)*
      - *Dependents (that are Medicare beneficiaries) of employees*
    - **coverage dates**
    - **Medicare HIC Number**
    - **policy number and group ID**
    - **certification statement regarding the accuracy of the contents of the worksheet**
- ***\*Note: Both the Employer and Insurer should review and complete their copy of the worksheet and certification statement.***

# PPN Worksheet

- The PPN Worksheet requests verification of the following:
  - Coverage dates for the beneficiary
  - Date the Employee(Subsriber) retired, if applicable
  - That you have no record of the beneficiary, if applicable

BENEFICIARY NAME & MEDICARE ELIGIBILITY	HIC NUMBER	POLICY NUMBER	GROUP ID	EMPLOYEE (SUBSCRIBER) NAME	RELATIONSHIP TO EMPLOYEE (SUBSCRIBER)	COVERAG E DATES	ENTER CORRECTED COVERAGE DATES	EMPLOYEE (SUBSCRIBER) RETIREMENT DATE	INDICATE WITH (X) IF YOU HAVE NO RECORD OF THIS BENEFICIARY	COMMENTS
Jones, Sam <i>ESRD</i>	123456789A	123456789	G12345	Sam Jones	Self	1/1/1992 – 12/31/2010	<i>01/1/1993 – 12/31/2010</i>			
Smith, Lulu <i>Working Aged</i>	999881234B	123456987	G12345	John Smith	Husband	1/1/1992 – 12/31/2010		<i>06/30/2008</i>		
Doe, Jane <i>Disability</i>	112233445A	123344556	G12345	John Doe	Husband	7/1/2009 -			<b>X</b>	

Note: *Items in red are sample responses.*

# PPN Process

- The PPN is not a demand for payment.
  - No dollar figures will be included in the PPN.
  - No claims will be included in the PPN.
- Do not send payment in response to the PPN; a demand has not yet been issued.
- Respond only on the response worksheet.
  - Do not send EOBs, additional coverage documentation, etc.

## PPN Process (cont.)

- You have 45 days from the PPN Letter date to respond.
- If a response is untimely, the MSPRC will be unable to update Medicare records before a demand is issued and the debtor will have to follow the valid documented defense process associated with the demand letter.

## PPN Process (cont.)

- We encourage Employers and Insurers to submit a timely response to the MSPRC, so that any erroneous coverage information can be corrected before a demand for payment is issued.
- If a response is **not** received within 45 days, a demand will be issued for all claims associated with the beneficiaries identified on the PPN.
- You can avoid having to submit multiple valid documented defenses by correcting errors on the PPN worksheet.
- Correcting this data at the time the PPN is issued will also help eliminate errors later in the process, including unnecessary referrals to the Department of Treasury.

## PPN Process (cont.)

- Once a demand letter has been issued, the PPN response worksheet **cannot** be accepted as a valid basis for changing Medicare's records.
- If a demand letter is issued, a valid documented defense must be submitted to the MSPRC to dispute information included within.
  - *Note: PPN worksheets are not appropriate documentation at the demand letter stage of the process and cannot be used as valid documented defenses.*

# How Does the PPN Benefit You?

- The PPN provides Employers and Insurers with an easy way to review and correct coverage information before a demand is issued.
- Fewer resources and documentation are required to respond to coverage information on the PPN worksheet than to respond to each individual claim in a demand letter with a valid documented defense.

# How Does the PPN Benefit You?

(cont.)

- Taking the time to address coverage data separately from claim issues allows you to analyze the data more effectively and identify why erroneous coverage data is being reported to the COBC.
- Responding to the PPN helps the MSPRC avoid issuing unnecessary demands.

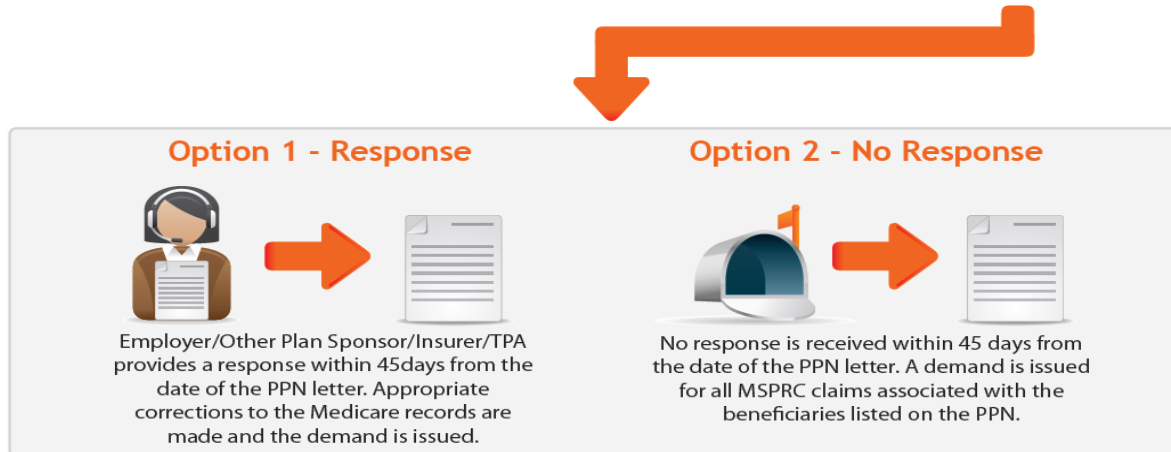
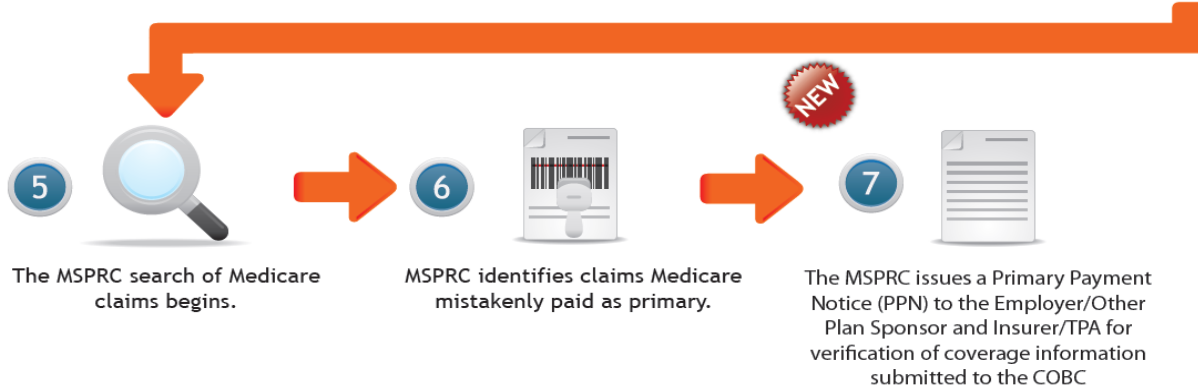
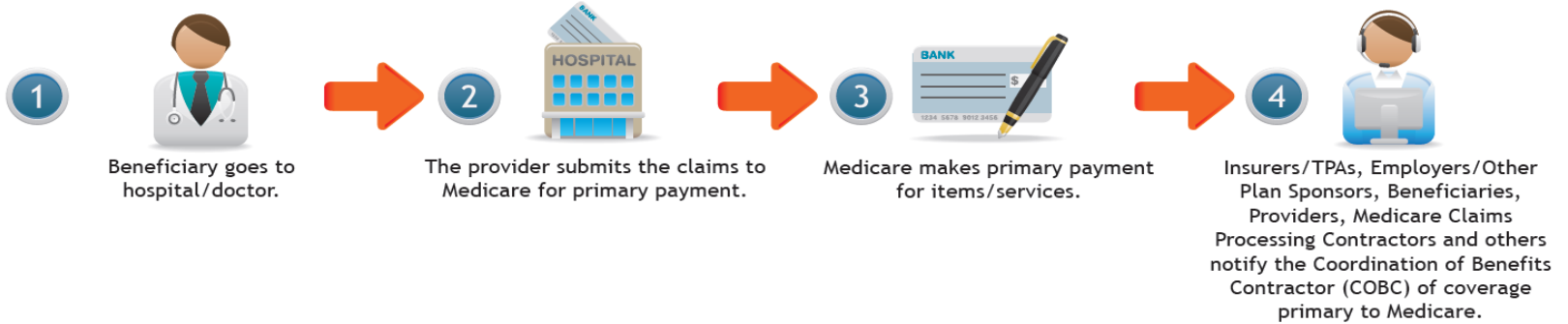


# GHP Recovery Process

The following slides provide a look at the life cycle of a typical case followed by a detailed overview of the GHP Recovery process.

Note:

*As of 08/01/2010, the GHP Recovery Process has been updated to include the Primary Payment Notice (PPN) for verification of GHP coverage information (Step 7:option 1&2 on slide 10).*



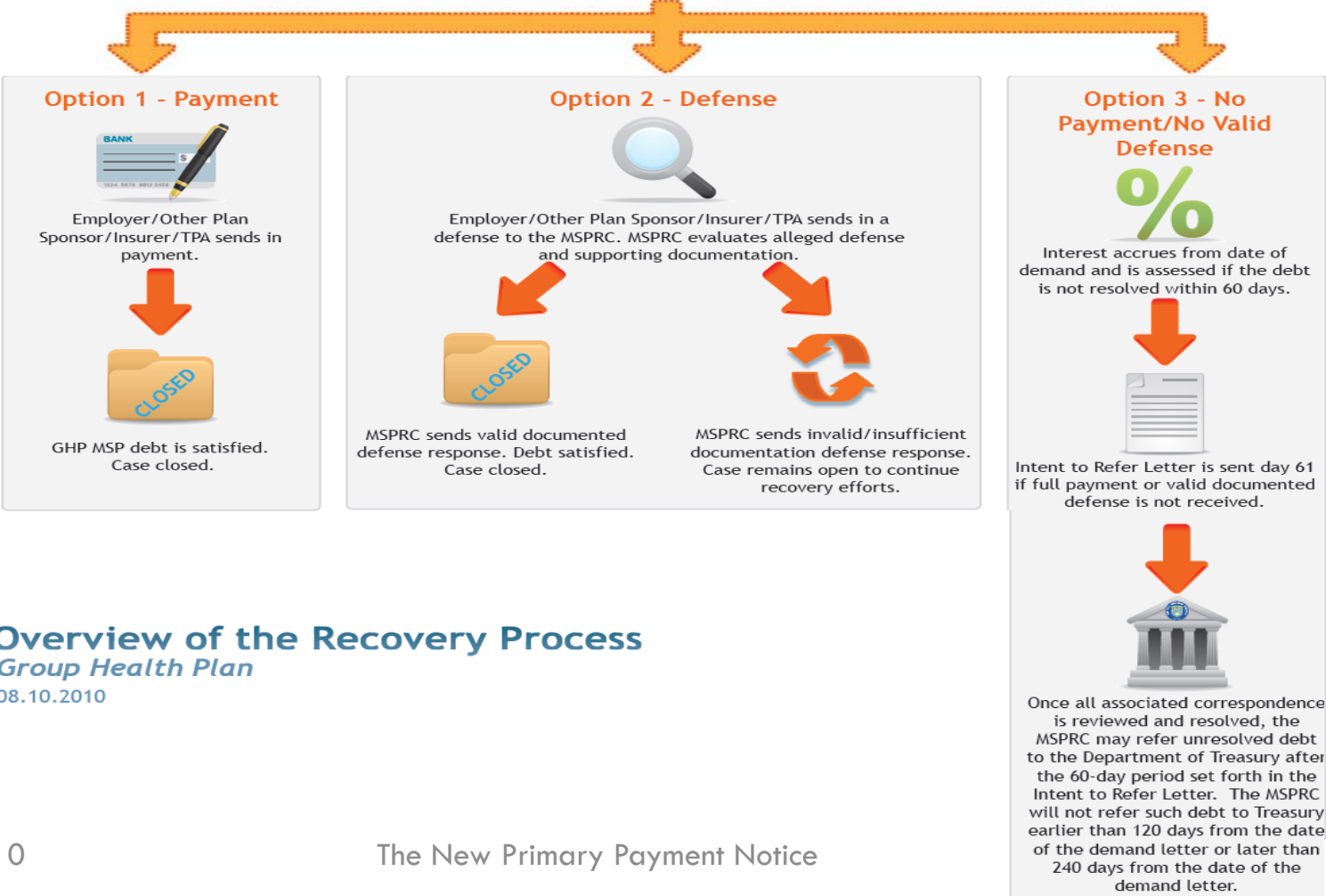
To view this chart on one page, click here!

8



The Demand Letter is issued to the Employer/Other Plan Sponsor and a copy is supplied to the Insurer/TPA.

Three situations arise from the Demand Letter.



**Overview of the Recovery Process**  
*Group Health Plan*  
 08.10.2010



# Group Health Plan Recovery Process

## *Demand Letter*

- The Primary Payment Notice (PPN) is a new and additional step to the recovery process.
- It does not eliminate or replace any existing steps in the process.
- All steps starting with the Demand Letter remain the same.
- This presentation will be combined with the existing GHP Recovery Presentation and will include all information related to the PPN and the subsequent Demand process.
- Check out the website [www.msprc.info](http://www.msprc.info) for full details.

# Improving the GHP Process

# Improving the GHP Process

- *What can Employers & Insurers do?*
  - To help ensure accurate and updated information is submitted, Employers and Insurers must communicate regularly regarding any changes in coverage. This includes employer information as well as beneficiary information.

# Improving the GHP Process (cont.)

- *What can Employers do?*
  - Ensure that the data submitted to Insurer is current and accurate to assist your Insurer with its mandatory reporting pursuant to Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007.
    - Check out [www.cms.gov/mandatoryinsrep](http://www.cms.gov/mandatoryinsrep)
  - Frequently, Employers expect their Insurers to resolve these matters on their behalf. In order to facilitate this, it is critical to communicate changes in coverage promptly and consistently to Insurers.

# Improving the GHP Process (cont.)

- *What can Insurers do?*
  - Help educate the Employers on the importance of updating the Insurer regarding:
    - Current mailing address
    - Medicare status of covered individuals
    - Termination date of employee (subscriber)
    - Retirement date of employee (subscriber)
  - Ensure that the Employer's address included on each reported record is the address where they wish to receive any demands.

# Where can you find reference materials?

- [www.MSPRC.info](http://www.MSPRC.info) (This site has information regarding the GHP recovery process as well as Tool Kits, presentations, FAQs, copies of the letters the MSPRC issues to debtors, and other resources.)
- [www.CMS.gov/COBGeneralInformation](http://www.CMS.gov/COBGeneralInformation) (The COBC site.)
- [www.CMS.gov/MandatoryInsRep](http://www.CMS.gov/MandatoryInsRep) (This site has all official instructions for MMSEA Section 111 mandatory MSP reporting.)
- [www.CMS.gov/manuals/IOM](http://www.CMS.gov/manuals/IOM)
- 42 U.S.C. 1395y(b) and 42 CFR Part 411 (MSP statute and regulations.)

Thank you for viewing this presentation.