

# SCHIP Extension Act of 2007 (MMSEA) (Public Law 110-173), Section 111.

November 19, 2008



## About SSDC

- SSDC has offered its Medicare coordination and Social Security Disability services to clients for 30 years.
- SSDC and CMS partnered to develop and establish the criteria for Voluntary Data Sharing exchanges over 10 years ago and is recognized as the subject matter experts in this area with CMS.
- SSDC exchanges over **36,000,000** records with CMS on a yearly basis



## Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA)

- Section 111 of the MMSEA deals with Medicare Secondary Payer mandate and states:

Effective January 1, 2009 all Group Health Plans (GHP) or any related entity (i.e. insurer, third party administrator, or self insured and self administered plan) serving on behalf of the GHP will be responsible for identifying and submitting “situations where the GHP is or has been a primary plan to the program under this title”



**What** are the Penalties for not Reporting?

**\$1,000 per covered individual per day**

It is not the intent of CMS to impose these penalties. CMS just wants the data. These fines can and will be applied to those that refuse to comply!



# History

- Voluntary Data Sharing Agreements (VDSA) and Voluntary Data Exchange Agreements (VDEA) between CMS and some organizations has been going on for many years. This has provided CMS the ability to more accurately identify who is the Primary payer between health plans and Medicare. CMS now intends to use this process as a **mandatory** reporting requirement for all GHP's, TPA's and Self Administered Health Plans for Active employees.



## Why the Mandate?

- The purpose of Section 111 is to enable CMS to correctly pay for health insurance benefits of Medicare beneficiaries by determining primary versus secondary payer responsibility
- The Government expects to be able to shift up to \$200 million a year from Medicare back to Health Plans



# Who has the Reporting Responsibilities

(Referred to as Responsible Reporting Entities RREs)

- Insurer - an entity that, in return for the receipt of a premium, assumes the obligation to pay claims described in the insurance contract and assumes the financial risk associated with such payments. In instances where an insurer does not process GHP claims but has a third party administrator (TPA) that does, the TPA has the responsibility for the reporting requirements.



## Who has the Reporting Responsibilities?

- Third Party Administrator (TPA) - a TPA is an entity that pays and/or adjudicates claims and may perform other administrative services on behalf of GHPs, the plan sponsor or the plan insurer. If a GHP is self-funded and self-administered for certain purposes but also has a TPA, the TPA has the responsibility for the reporting requirements.



## Who has the Reporting Responsibilities?

- A plan administrator or Fiduciary in the case of a Self Insured and Self Administered Group Health Plans by Employers

(Applies to Employers that have no TPA or GHP administering their claims)



## Who can Report on Behalf of RREs?

- Agents - may submit reports on behalf of:
  - Insurers for GHPs
  - TPAs for GHPs
  - Employers with self-insured and self administered GHPs

Accountability for submitting reports resides with the Responsible Reporting Entities (RRE) (Insurers, TPAs, Employers), not with the agent.



## Who is Exempt?

- Small Employer Exception

If an employer has fewer than 20 full and/or part-time employees and contributes to a single-employer GHP, they do not have to comply.

However if such an employer participates in a multiple employer or multi-employer GHP and at least one participating employer has at least 20 full or part time employees, then they must report.



# Reporting options

- There are two reporting options you may choose:
  - Basic Reporting - meets the minimum requirements.
  - Expanded Reporting - same as basic but includes Drug Subsidy information.



## Basic Reporting Option

- Includes submission of the MSP Input Files for hospital and medical coverage of **Active** covered individuals submitted as a Query Only Input File.
- The response files you will receive will only include entitlement/enrollment information for Medicare Parts A, B and C with this option.

## Expanded Reporting Option

- Similar to the VDSA/VDEA process. Includes submission of the MSP Input File for primary medical, hospital and **prescription drug** coverage for **Active** covered individuals, the Non-MSP file with supplemental prescription drug coverage records, Retiree Drug Subsidy (RDS) reporting and entitlement/enrollment query capability, with the option of a Query Only Input File.
- The response files you will receive will only include entitlement/enrollment information for Medicare Parts A, B, C and D with this option.



## What Must be Reported?

- Information on Employer size (vs. number of covered lives) has always been necessary for employers, insurers, third party payers, plans and other plan sponsors to determine the correct primary payer. Under this new mandate - GHP's RRE **MUST** have accurate information concerning employer size for all members of a multiple employer/GHP in order to report accurately

(If you're an employer with 21 employees and only 2 participate in a sponsored health plan you still must report based on the 21 employees)

# When Must You Report?


## Group Health Plan (GHP):

- 10/01/08 - 10/31/08 Paper registration for RREs with an existing Voluntary Data Sharing Agreement (VDSA)/Voluntary Data Exchange Agreement (VDEA) with CMS.
- 10/01/08 - 12/31/08 Testing period for RREs with an existing VDSA/VDEA.
- 01/01/09 - 03/31/09 RREs with an existing VDSA/VDEA will submit their first production files in the Section 111 format, based upon a schedule predetermined with the Coordination of Benefits Contractor (COBC).
- 04/01/09 - 04/30/09 Electronic registration via the COBSW for all new GHP RREs. GHP RREs with a prior VDSA/VDEA who registered through the paper process will be invited to confirm their registration, set up online accounts and register individual users for the site through the COBSW.
- 04/01/09 - 07/01/09 Testing period for new GHP RREs (those that did not have a prior VDSA/VDEA).
- 07/01/09 - 10/01/09 New GHP RREs submit their first Section 111 production files based upon a predetermined schedule with the COBC.
- 10/01/09 All GHP RREs will be submitting Section 111 production files by this date.



## When Must You Report?

- Registration - April 1, 2009 through April 30, 2009 (electronic)
  - Certify the registrant is a valid RRE for Section 111
  - Assign a Section 111 Reported ID to each RRE
  - Develop a Section 111 reporting profile for each RRE
  - Assign a production live date and file transmission timeframe
  - Establish the necessary file transfer mechanisms, and
  - Assign an Electronic Date Interchange Representative to each RRE to assist with ongoing communications.



## How you must Report

- Registration

The RRE must complete and submit the registration form regardless of whether an agent will be submitting files on your behalf. An agent cannot complete and send the registration for you. Your registration must correspond with the manner in which you will submit files to comply with section 111 requirements. A registration form must be submitted for each file transmission set up - for example, if your company is comprised of three subsidiaries with separate GHP enrollment systems and you intend to submit three separate files, then you must complete three separate registration forms. Alternatively, if your parent company will submit one file that includes data for all three subsidiaries, then you must complete only one registration form.



## What Must be Reported? (Basic Reporting Requirement)

- All individuals covered in a GHP age 45 through 64 who have coverage based on their own or a family members current employment status.
- All individuals covered in a GHP age 65 and older who have coverage based on their own or spouses current employment status.
- All individuals covered in a GHP who have been receiving kidney dialyses or who have received a kidney transplant, regardless of their own or a family members current employment status
- All individuals covered in a GHP who are under the age of 45, are known to be entitled to Medicare and have coverage in the plan based on their own or a family members current employment status. When reporting on these individuals you must submit their Medicare Health Insurance Claim Number (HCIN)



## What Must be Reported?

- Two key elements that will be required to be reported are SSN's or HICN's and EIN's.
  - These are absolutely mandatory. No place holders or fake numbers can be used. No records are to be sent without this information!
  - Employees new to the plan from 1/1/09 on must have dependant SSN information immediately for reporting. All employees enrolled prior to 1/1/09 with missing SSN dependant information, the RRE has up to 1 year to obtain that information
- We have found that most organizations are missing as much as 30% of the dependents SSN numbers



## What trouble spots might you experience?

- Capturing all of the necessary data elements in one location.
  - The Employer EINS may be maintained and housed in their Finance system, the RX data might be with several different Carriers, the beneficiary data might be with the Benefits Administrator (BA) etc. etc.
- Different file layouts
  - If this information is located in many different types of “systems” the files are usually different and not easily “fused” together.
- System logic and mapping will need to be developed in order to produce the file formats required by CMS

# Basic Reporting Format

File Type	Description
GHP MSP Input File	This is the data set transmitted from a MMSEA Section 111 responsible reporting entity (RRE) to the COBC that is used to report information regarding Active Covered Individuals.
GHP MSP Response File	This is the data set transmitted from COBC to the MMSEA Section 111 RRE after the information supplied in the RRE's MSP Input File has been processed.
TIN Reference File	The TIN Reference File consists of a listing of each business entity's federal TIN and the business mailing address that is linked to that particular TIN.
Query Only Input File	This is a query file used to obtain Medicare Part A entitlement and Parts B and C enrollment of potential Medicare beneficiaries.
Query Only Response File	After the COBC has processed the Query Only Input File it will return the Query Only Response File with Medicare Parts A, B and C coverage information for individuals identified as Medicare beneficiaries.

← This section contains 33 different data fields

← This section contains 81 different data fields

← Depending on the number of entities within an organization this section could contain hundreds of data fields

← This section contains 28 different data fields

← This section contains 61 different data fields

# Expanded Reporting Format

File Type	Description
GHP MSP Input File	This is the data set transmitted from a MMSEA Section 111 RRE to the COBC that is used to report information regarding Active Covered Individuals.
GHP MSP Response File	This is the data set transmitted from the COBC to the MMSEA Section 111 RRE after the information supplied in the RRE's MSP Input File has been processed.
TIN Reference File	The TIN Reference File consists of a listing of each business entity's federal TIN and the firm's business mailing address that is linked to that particular TIN.
GHP Non-MSP Input File	This is the data set transmitted from a MMSEA Section 111 RRE to the COBC that is used to report information regarding the drug insurance coverage information of Inactive (e.g., not working, retired) Covered Individuals.
GHP Non-MSP Response File	This is the data set transmitted from the COBC to the MMSEA Section 111 RRE after the information supplied in the Non-MSP Input File has been processed.
Query Only Input File	This is a query file used to obtain Medicare Part A entitlement and Parts B and C enrollment of potential Medicare beneficiaries.
Query Only Response File	After the COBC has processed the Query Only Input File it will return the Query Only Response File with Medicare Parts A, B and C coverage information for individuals identified as Medicare beneficiaries.



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This section contains 43 different data fields



This section contains 73 different data fields



This section contains 73 different data fields



This section contains 73 different data fields



## What is it Going to Cost to Report?

- CMS has estimated that the cost to design, build, test and run a system to comply with this reporting requirement to be 400 hrs. (does not include ongoing operations)
- SSDC believe this to be an **EXTREMELY** conservative estimate.



## What Recommendations does SSDC have?

- The MMSEA for all intents and purposes is a one way reporting requirement.
- Reporting on Active employee populations will not discover much in the way of possible savings to Health Plans.
- The costs to report will have to be absorbed by someone - GHP's? not likely, TPAs? Again not likely. **Employers?** In one form or another, this will be the likely entity that will wind up paying!



## Why a VDSA?

- A VDSA may require more work than the minimum MMSEA requirement.
- A VDSA would allow you to comply with MMSEA and provide you a **VALUE** in return!
- VDSAs will report active employees 45 and older but also identify inactive Medicare entitled employees for whom the health plan is still paying primary. This allows for transfer of primary healthcare costs to Medicare.

A decorative line starts as a thin yellow line on the left, curves downwards to the right, and then transitions into a thicker green line that continues to curve downwards.


## VDSA as the tool

Doing a VDSA is only the start of the process and will allow you to comply with MMSEA. There is a good deal of effort involved after getting the information back from the VDSA to achieve the return of savings to the health plans.



## How SSDC can Help

- SSDC already has in existence the system and process to comply with the mandate and provide a high return on investment as well.
- SSDC has years of experience in coordinating among multiple GHP's and TPA's in receiving this exact type of data and exchanging it with CMS.
- SSDC has experience and processes that can secure much of the needed information that may be missing from your records (Dependant SSN, etc.)



To learn more about MMSEA compliance and how a VDSA can provide a return on investment and meet MMSEA requirements. Please contact SSDC.

<https://www.cms.hhs.gov/MandatoryInsRep/>

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# Questions?



# If you would like a copy of this presentation

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