



June 23, 2006

Dear BCBSNC Group Administrator,

From time to time, Medicare may send you notice that it has identified a member for whom Medicare has mistakenly made primary payments for services. This happens when Medicare discovers that a beneficiary had other primary coverage at the time Medicare paid for services.

The notice you receive will either be a Medicare Secondary Payer (MSP) Recovery Demand Letter or an Intent to Refer Debt to Treasury Package. We ask that you forward the notice and all accompanying documentation to your Blue Cross and Blue Shield of North Carolina Account Manager as soon as possible, as this is a time-sensitive process.

Your Account Manager will forward the information to the appropriate area within BCBSNC for research, and BCBSNC will provide either:

- A valid, documented defense for why debt is not owed,
- Evidence that BCBSNC already paid the debt prior to receiving the notice, or
- Payment to the requestor, including any applicable interest.

You should not assume that BCBSNC has received copy of this notice, as Medicare is only obligated to send a copy of the notice to us if their records indicate your group has primary insurance with BCBSNC. While employers ultimately hold liability for the debt owed, you can authorize us to act and respond to the notice on your behalf. If you do not make this authorization, Medicare will continue to pursue you if there are outstanding questions or if additional information is needed. When you forward the package to your Account Manager, we ask that you include an authorization.

The authorization must:

- Be on your company's employer letterhead.
- Specifically authorize the Centers for Medicare & Medicaid Services, its Medicare contractors, their employees and agents, and the Department of the Treasury and its employees, contractors and agents to disclose to BCBSNC any and all information related to the debt identified in the MSP recovery demand letter, until the debt is closed.
- Include the date of the demand letter.
- Include the name of the entity sending the demand letter.
- Include the Medicare beneficiaries' names and their Health Insurance Claims Numbers.
- Specify that the document authorizes BCBSNC to resolve the identified debts on the employer's behalf.

If you have any questions about this letter, please contact your BCBSNC Account Manager.

Thank you.

Blue Cross and Blue Shield of North Carolina