

Important News for BCBSNC Group Administrators Medicare Secondary Payer Changes – Reporting

January 12, 2009

Currently, BCBSNC participates in Medicare Secondary Payer reporting through the Voluntary Data Exchange Agreement (VDEA), by transmitting quarterly files to the Centers for Medicare Services (CMS), when a member has BCBSNC insurance primary to Medicare.

Effective January 1, 2009, Federal law (Section 111 of the Medicare Modernization and SCHIP Extension Act) mandates certain changes in reporting of insurance coverage for Medicare beneficiaries, specifically when group health plans are primary to Medicare. BCBSNC will be compliant with these reporting changes following completion of an internal project which will enable us to extract and report the data in the CMS required format. We expect to complete this in late January, prior to the first reporting period in February.

So, what does that mean for BCBSNC and our employer groups?

Social Security Numbers (SSNs) and Health Insurance Claim Numbers (HICNs) will be required for all reported enrollees

Beginning 1/1/09, BCBSNC will be required to report SSNs and HICNs for all reported enrollees with effective dates of 1/1/09 and forward. For reported members who are effective prior to 1/1/09, we will have until first quarter 2010 to collect and report SSNs and HICNs for them.

Employer Tax ID Numbers (EIN) required

BCBSNC must collect and provide to CMS the EINs for all employer groups reported. For multiple-employer groups, we will need an EIN for each group within it. EIN is required data in the 1 – 99 group size market and that data is validated annually. EIN is not required for groups 100+, and we are currently evaluating options for securing this information at the time of sale/renewal.

Group size

BCBSNC must collect, maintain and report on the group size (enrollees as defined by Medicare in 42 CFR 411.101 and 42 CFR 411.170) for each group, and for each group within a multiple-employer group. Total group size is provided in section 2a on the Employer Risk Appraisal Form for groups 1 – 99 and that data for groups 1 – 50 is validated annually through the REVA process. We are evaluating options for collecting and maintaining this information for all groups per the CMS guidelines.

Who is reported

In 2009, the mandatory SSN reporting is required for all members age 55+, not just those with group health plans that are primary to Medicare. In addition, any member under age 55 that has Medicare coverage (primary or secondary) should be reported; HICNs must be reported for these members. Beginning January 2010, the reporting requirement will extend to any member age 45+. We will report EIN and group size for all groups in a separate file to CMS per their guidelines.

How BCBSNC will collect this data

CMS defines those entities responsible for reporting the information noted above as Group Health Plans for insured groups and the claims-paying entity for self-funded groups. As such, BCBSNC will be responsible for this reporting on behalf of all of our group business.

While we have much of this data in our systems today, there are certain data gaps that we will be addressing through the use of vendors, or we will be attempting to obtain directly from groups or members.

As a short-term solution, our hope is that a reliable and cost-effective vendor solution can be retained to capture this data. Longer term, however, we will be requiring our employer groups and producers to provide this data to us through the current electronic or paper eligibility and rating processes used today. Modifications are being made to the eBenefitsNow tool and the soon to be released Online Plan Management tool to require SSNs for spouses and domestic partners (regardless of age) in addition to the subscriber to support the new data requirement.

Does this mean that employers will no longer need to respond to CMS questionnaires about their employees?

No. Employers will continue to be responsible for completing CMS-required questionnaires regarding their employees' status. The new reporting requirements, released in 2008 and relative to Section 111, specify requirements that BCBSNC must meet regarding reporting our members' coverage with BCBSNC.

Employers will continue to receive letters from CMS and should respond to related questionnaires as required. BCBSNC will provide the reports to CMS as required and based on our membership.

More information

For more information about the mandatory reporting that CMS requires, you may want to visit the following Web site:

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

If you have other questions not addressed here, please contact your BCBSNC group representative.



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