



Benefits Administration Letter

Number: 09-206

Date: November 3, 2009

Subject: Federal Employees Health Benefits Program: New Medicare Requirements for Coordination of Benefits

Purpose

The purpose of this letter is to require Federal agencies to follow new reporting requirements established by the Centers for Medicare and Medicaid Services (CMS) regarding the collection of identification numbers for individuals covered by health insurance who may also be entitled to Medicare benefits.

Background

Section 111 of Public Law 110-173, the Medicare, Medicaid, and SCHIP Extension Act of 2007, includes new reporting requirements under the Medicare Secondary Payer law. CMS has issued instructions to employers and health plans with its requirements to ensure that Medicare can properly coordinate Medicare payments with other insurance. Health plans are required to disclose information about other insurance coverage for Medicare beneficiaries who are still working. Health plans are also required to disclose information on insurance coverage for spouses and dependents if they are Medicare beneficiaries.

CMS prefers obtaining the beneficiary's Medicare claim number, known as the Health Insurance Claim Number (HICN), but will use the beneficiary's social security number (SSN) if the HICN is not available. The CMS requirements, which became effective January 1, 2009, include substantial penalties for non-compliance if the beneficiary information is not provided by January 2011.

Agencies should obtain HICNs for enrollees and family members covered under the Federal Employees Health Benefits (FEHB) Program who are Medicare beneficiaries. Agencies should also continue to collect SSNs for enrollees and begin to collect SSNs for all family members when processing new enrollments and enrollment changes using Standard Form 2809 or using express-enrollment systems, such as Employee Express and PostalEASE.

Procedures

Agencies should notify employees that health plans will need HICNs and/or SSNs for the following individuals to process new enrollments and enrollment changes:

- Health plan enrollees who are 65 years of age or older and who have coverage based upon their own or a spouse's current employment status.
- Health plan enrollees who have been receiving kidney dialysis or who have received a kidney transplant, regardless of their own or a family member's current employment status.
- Health plan enrollees who are under age 55 (age 45 effective January 1, 2011), have coverage in the plan based on their own or a family member's current employment status, and are known to be entitled to Medicare.
- From January 1, 2009 through December 31, 2010, health plan enrollees who are age 55 through age 64 and who have coverage based on their own or a family member's current employment status.
- Beginning January 1, 2011 and forward, health plan enrollees who are age 45 through 64 who have coverage based on their own or a family member's current employment status.

Agencies should ensure enrollees have included the HICNs and/or SSNs for themselves and family members on enrollment forms before forwarding them to health plans. Part A of the Health Benefits Election Form (SF 2809) already has fields for SSNs. Agencies should ensure enrollees include the appropriate HICN for any Medicare covered individual in the remarks section of the SF 2809. Agencies should also advise employees to cooperate with their health plans if contacted for this information. For those employees who do not have access to e-mail, agencies should notify employees by mail.

Express-enrollment systems should be updated to include a request for all family members' SSNs and to ensure that the SSN fields for these systems are completed by the enrollee before the enrollment change can be processed. The system should also notify enrollees that they need to provide HICNs to their health plan, if requested.

Agencies are not required to establish and maintain collection systems for family members' SSNs and/or HICNs. This information is for CMS and health plan use only. Agencies will not be required to include this data in employee enrollment reconciliation procedures. The health plans are responsible for collecting SSNs and/or HICNs for their current members.

To notify employees about this new requirement, we suggest you use the following information:

A new mandatory insurer reporting law (Section 111 of Public Law 110-173) requires your health plan to report, as directed by the Secretary of the Department of Health and Human Services, information that the Secretary requires for purposes of coordination of benefits between your health plan and Medicare. In order for Medicare to properly coordinate Medicare payments with other insurance and/or workers' compensation benefits, Medicare relies on your health plan to collect the

Medicare Health Insurance Claim Number (HICN) or social security number (SSN) from you and your family members and provide them to Medicare.

As a Federal Employees Health Benefits (FEHB) Program health plan enrollee (or spouse or family member of an enrollee), if this information is not already on file with your health plan, Medicare HICNs and SSNs will likely be requested in order to meet the requirements of Public Law 110-173. Attached is a sample notice from CMS which employers and health plans will use to collect the necessary information from health plan enrollees. Please cooperate with your health plan if you receive a request for this information. If you or your family member is a Medicare beneficiary and you do not provide the requested information, you or your family member may be violating obligations to assist Medicare in coordinating benefits.

In accordance with the Privacy Act, OPM publishes a routine-use notice in the Federal Register that provides for disclosure to contracting health insurance carriers information that is necessary for them to identify insured persons, verify eligibility for payment of a claim for health benefits, or to carry out coordination of benefits with other health plans. Although FEHB carriers are not subject to the Privacy Act, their contracts with OPM limit their use of personal information that agencies and enrollees supply, including SSNs, to purposes consistent with the routine-use notice. In addition, each FEHB plan's benefit brochure includes a statement for enrollees that their medical and claims records are confidential.

As in the past, an individual who objects to the use of an SSN as an identifier may decline to provide it. In these instances, the agency and the carrier use a unique number for identification purposes. However, this may cause potential delays in claims processing. Agencies should request an individual who objects to the use of an SSN to provide the HICN, if one has been issued for the individual or family member, in the remarks section of the SF 2809 Health Benefits Registration Form, and should inform the individual that if the individual or a family member is a Medicare beneficiary and does not provide the SSN or HICN, he or she may be violating obligations to assist Medicare in coordinating benefits. The agency should document the reason stated by the individual for declining to provide the SSN.

If you have any questions, please contact Nataya Battle, Senior Policy Analyst, Strategic Human Resources Policy, at 202.606.0004. Thank you for your continued support of the FEHB Program.

Sincerely,

Kathleen M. McGettigan
Deputy Associate Director
Center for Retirement and Insurance Services

Attachment