

Your action is required by April 30, 2010

MSP response box

CID:

ZIP code:

March 2010

Dear Benefits Administrator:

We've recently told you about our compliance activities to support the Centers for Medicare & Medicaid Services' (CMS) Medicare Secondary Payer requirements. The reason for the requirements is to determine who should be the primary payer for claims, Independence Blue Cross (IBC) or Medicare. In June 2009, we asked you to send us the accurate social security number of employees enrolled on or after January 1, 2009. Now, as the second phase of our compliance initiatives, we are requesting you provide us with information on the total number of employees in your company.

VERIFY THE NUMBER OF EMPLOYEES

Reporting the total number of employees in your company is required by the federal government so that IBC may continue proper claims payment for your employees who are eligible for Medicare benefits. It's important for you to supply this information by April 30, 2010, to avoid any problems involving your employees' claims regarding Medicare primacy.

At the end of this letter, you'll find an explanation of how to send the information we need to IBC. We've made it easy for you to provide via an automated response telephone number. Please keep this letter handy so that you'll have the information you need to complete this process.

DETERMINING THE PRIMARY AND SECONDARY PAYERS

Under MSP rules and regulations, IBC may be required to pay primary to Medicare for certain group health benefits, regardless of an employee's or a dependent's entitlement to Medicare. This will depend on the current employment status of your employee and/or the size of your group as measured over a period of time.

For example, IBC, not Medicare, may be required to be the primary payer for certain claims for an actively working, full-time employee 65 or older who is receiving benefits through an employer with 20 or more full- and/or part-time employees for 20 or more calendar weeks during the previous or current calendar year. This includes full-time, part-time, intermittent, leased, and seasonal employees but excludes self-employed individuals.

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Alternatively, Medicare would be the primary payer and IBC secondary when a claim for an actively working, full-time employee 65 or older who is receiving benefits through an employer with less than 20 full- and/or part-time employees for 20 or more calendar weeks during the previous or current calendar year.

Other MSP rules determine whether Medicare is the primary payer for individuals who have Medicare due to disability. For example, IBC may be required to pay primary to Medicare for individuals under 65 enrolled with Medicare due to a disability when the employer has 100 or more full- and/or part-time employees doing 50 percent of its business days during the previous calendar year. (Again, this includes full-time, part-time, intermittent, leased, and seasonal employees but excludes self-employed individuals.)

WHAT IS A MULTIPLE/MULTI-EMPLOYER HEALTH PLAN?

It is important for you to be aware that CMS has provided guidance regarding multiple/multi-employer health plans and exemptions. The term multiple/multi-employer health plan means any trust, plan, association, or other arrangement made by one or more employers to contribute, sponsor, directly provide health benefits, or facilitate directly or indirectly the acquisition of health insurance by an employer member. If this situation exists, the employer is considered to be a participant in a multiple/multi-employer group health plan even if it has a separate contract with the insurer. For more information regarding multiple/multi-employer plans and the small-employer exemption, visit the CMS website at www.cms.gov. If you think you may be a multiple/multi-employer please contact your IBC account executive.

HOW DO I KNOW THE SIZE OF MY ORGANIZATION?

Employer size is measured over a period of time under the MSP rules and regulations. For example, an employer is considered to have "20 or more employees" if it had 20 or more people working every day every week for 20 or more weeks in either the current or preceding calendar year. In addition, employees of related companies may be required to be included in your employee count. If you have any questions regarding the calculation of employer size, you should consult with your legal adviser.

DO I NEED TO TAKE ANY ACTION AT THIS TIME?

We need you to tell us how many employees you have. In order to meet the MSP reporting requirements and to continue proper claims payment for your Medicare-eligible employees, we are providing a convenient way for you to submit employer size information. Call our designated MSP number at 1-888-445-8057. This number will be available 24/7 between March 1, 2010, and April 30, 2010. When calling, you'll be prompted to follow these steps:

1. Say or enter your customer ID, (CID), located at the top of this letter.
2. Say or enter your five-digit zip code, located at the top of letter, for verification. Please use this zip code only.
3. Say or enter your total number of employees.
4. The number of employees you have entered will be repeated to you. At this time you may press 1 to confirm or press 2 to make a correction and reenter the information.
5. When completed, you'll hear a message confirming that your employer size has been submitted.

This letter is not intended to provide legal advice. You should consult with your legal adviser regarding your obligations under the MSP rules and regulations. If you have any questions, please contact your independent broker, consultant, or IBC account executive.

Sincerely,



Brett A. Mayfield
Vice President, Sales