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Volume 33 | Issue 34 | June 17, 2010

CMS Provides Guidance on Mandatory Medicare Secondary Payer Reporting of HRA Coverage

The Centers for Medicare and Medicaid Services (CMS) recently issued an Alert that provides guidance on reporting health reimbursement account (HRA) coverage under the Mandatory Medicare Secondary Payer reporting process. Information about HRA coverage must be submitted by Responsible Reporting Entities (RREs) starting in the fourth quarter of 2010.

Background

The Medicare, Medicaid and SCHIP Extension Act of 2007 amended the Medicare secondary payer rules to impose new mandatory quarterly reporting requirements on group health plans that cover Medicare-eligible individuals. (See our October 9, 2008 [For Your Information](#).) The reporting responsibility falls on RREs, which are insurers, third-party administrators, and plan administrators or fiduciaries of group health plans that are both self-insured and self-administered. The mandatory reporting program involves an electronic exchange of group health plan coverage/Medicare entitlement information between an RRE and the CMS coordination of benefits contractor. Information on certain employees, spouses and family members considered active covered individuals must be provided, including their Social Security or Health Insurance Claim numbers. (See our July 30, 2009 [For Your Information](#).)

CMS Alert

CMS previously announced that RREs were to begin reporting HRA coverage starting with electronic information submissions (GHP MSP Input File) during the 4th calendar quarter of 2010. In its recent [Alert](#), CMS provides additional guidance. The guidance clarifies that only HRA coverage with effective dates of October 1, 2010 and later must be reported and that no retroactive reporting of HRA coverage is required. In addition, the reporting obligation only applies to HRA coverage with an annual benefit amount of \$1,000 or more – HRA coverage with a lower annual benefit amount is exempt. CMS also refers to the updated section on HRA reporting in the latest version of the [Section 111 GHP User Guide](#).

BUCK COMMENT. *As noted in our July 30, 2009 [For Your Information](#), the information required to be submitted to CMS by RREs includes the Social Security numbers of many employees' covered dependents and retiree premiums – information which may not be readily available. Employers may need to help RREs obtain this information.*

Importantly, CMS states that RREs that only report HRA coverage (and do not report other group health plan coverage) are to begin registering for Section 111 reporting on the Coordination of Benefits Secure Website (COBSW) immediately in order to complete the registration process by June 30, 2010. The HRA registration period started May 1, 2010.

BUCK COMMENT. *In some instances an employer might self-administer an HRA rather than use a third-party administrator. If so, the employer administering the HRA would presumably be the RRE and would have to do the mandatory reporting.*

It should also be noted that HHS has just issued a [notice](#) of a new system of records that will be used in connection with the Early Retirement Reinsurance Program (ERRP) under the health reform law – its purpose is to collect and maintain information on early retirees, their spouses and dependents, including Social Security numbers. Thus, it is becoming increasingly incumbent on employers to collect this information.

Conclusion

Employers that sponsor HRAs may need to help the appropriate RRE with its submissions to CMS in connection with the Medicare Secondary reporting requirements, and those wishing to apply for ERRP need to be aware of the information that they will need to collect for that purpose. Buck's consultants would be pleased to discuss these developments with you.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.