



CMS Office of Financial Management/Financial Services Group

September 27, 2011

**The Medicare Secondary Payer Mandatory Reporting Provisions in
Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (the MMSEA)
(See 42 U.S.C. 1395y(b)(7)&(b)(8))**

ALERT

September 27, 2011 - GHP HRA Coverage – MMSEA Section 111 Reporting

This Alert provides updated information about reporting Health Reimbursement Arrangements (HRAs) under Section 111. An HRA is a Group Health Plan (GHP) subject to the Medicare Secondary Payer (MSP) provisions (see: 42 CFR §411.101) and to reporting under Section 111. These changes to current HRA reporting were made after the posting of Version 3.2 of the GHP User Guide in April, 2011, and will be incorporated in the next version of the GHP User Guide.

- **Change to Annual Benefit Level Reporting Threshold:** Effective October 3, 2011, only HRA coverage that reflects an annual benefit level of **\$5000** or more is to be reported. HRAs of an annual benefit amount of less than \$5000 are exempt from reporting. Funding deposit amounts rolled over from the previous year's coverage must be included when calculating the current year's annual benefit amount.
- The new \$5000 Annual Benefit Reporting Threshold applies to all new or renewing HRA coverage which becomes effective on or after October 3, 2011. RREs reporting existing coverage will continue to do so at the present threshold until the employer's HRA benefit period is renewed.
- **A notice of termination** is to be submitted to the COBC when an HRA insured's HRA benefit coverage is exhausted and no additional funds will be added to the HRA for the remainder of the HRA's current benefit coverage term. Notice of the termination is to be provided to the COBC by including it in the RRE's next regularly scheduled MSP Input File submission. The RRE may also call the COBC Call Center, at 1-800-999-1118 (TTY/TDD: 1-800-318-8782), with notice of the termination.
- This new requirement is effective immediately. The existing requirement that termination dates are to be submitted when the covered individual loses or cancels coverage remains in place.
- This notice of termination requirement *replaces* language in Section 7.2.7 on Page 67 of Version 3.2 of the GHP User Guide which states that an RRE is not to submit a Termination Notice when the annual benefit value is exhausted, or only when coverage is not continued or not renewed in the subsequent year.
- Once the GHP HRA benefit period is renewed, the RRE must submit a new add record on the MSP Input File for each Medicare beneficiary that is an Active Covered Individual and whose HRA annual benefit is \$5000 or greater. The Effective Date (Field 10) should reflect the start date of the new coverage period.