



## *SUPPORT H.R. 4796*

### *THE MEDICARE SECONDARY PAYER ENHANCEMENT ACT OF 2010*

The current Medicare Secondary Payer (MSP) system is inefficient and creates problems for Medicare beneficiaries, the Centers for Medicare and Medicaid Services (CMS), and anyone who settles a claim involving Medicare liability. *The Medicare Secondary Payer Enhancement Act of 2010 (MSPEA)* will improve the system to speed the return of funds to the Medicare Trust Fund and promote settlements.

#### The Problem

The MSP system was intended to ensure that Medicare does not pay for health services when another party has primary responsibility – either as a group health plan, workers compensation plan, or other party with liability for the care provided. Unfortunately, **current inefficiencies and problems in the system make it nearly impossible for many parties to determine how much is owed to Medicare.** If an entity with MSP responsibility disagrees with Medicare's after-the-fact calculation, it does not even have a process for appealing the decision.

As a result, **claims involving Medicare beneficiaries often cannot be resolved in a timely manner.** Beneficiaries do not want to settle without knowing the amount of their recovery after Medicare is reimbursed, and responsible parties do not want to remain obligated to Medicare after paying all amounts owed to the beneficiary. These problems actually slow the process of returning dollars to the Medicare Trust Fund and cause more cases to go to trial.

The process for responsible parties to report MSP claims to Medicare is also seriously flawed. For example, **Medicare beneficiaries must provide a Social Security number or their Medicare identification number,** despite the privacy and identity security concerns associated with widespread use of this sensitive personal information. Beneficiaries understandably resist providing these numbers.

#### The Solution

Companies with MSP responsibilities are committed to reimbursing the Medicare Trust Fund in full, but they need a transparent and efficient system for doing so. **The MSPEA would make the following changes to establish a sensible, effective, and efficient MSP system:**

- Revise the flow of information so parties know how much is owed to Medicare before settling;
- Creates a right of appeal for parties who disagree with the MSP calculation and establishes a reasonable statute of limitations;
- Adopts a sensible MSP recovery threshold so that Medicare does not spend more taxpayer money pursuing a claim than the claim is actually worth; and
- Removes the requirement that Medicare beneficiaries disclose sensitive personal ID numbers.

**These much needed improvements will not impose any costs on the federal government, as companies will pay a small users fee to utilize the new and more efficient system.**

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***Congress should enact the MSPEA to create a transparent and efficient MSP system designed to promote settlements, protect Medicare Beneficiaries, and speed the return of monies owed to the Medicare Trust Fund.***