About the Medicare Secondary Payer Small Employer Exception

When active members like you become Medicare-eligible, the Medicare Secondary Payer (MSP) Small Employer Exception offers an opportunity for cost savings. As you will soon become Medicare-eligible, we want you to be aware that The Episcopal Church Medical Trust is providing eligible employers and their eligible employees with the option to apply for the Episcopal Health Plan for Qualified Small Employer Exception Members (the SEE Plan).

Here is how it works
MSP is the term used when Medicare is not the primary payer of your medical claims. Medicare allows for an exception to the MSP. A small employer may request Medicare to serve as primary payer for eligible Medicare beneficiaries by seeking a “small employer exception.”

When Medicare becomes the primary payer of medical claims, the cost of providing medical coverage will be lower because your existing health plan becomes the secondary payer. The reduction in cost may reduce premiums compared to plans in which Medicare is not the primary payer. Your out-of-pocket medical costs may be lower, too.

Qualifying for the MSP Small Employer Exception
Members who are 65 years old, are eligible for Medicare, and are covered by a Medical Trust plan, may be eligible to apply for and enroll in the SEE Plan, with benefits nearly equal to those of your current plan.

The exception is available to employees, and/or their spouses, who work for an employer with fewer than 20 employees. If your employer has fewer than 20 employees for each working day in each of the 20 or more calendar weeks for the preceding and current year, they may apply for the exception, and if approved, you may be eligible to participate, subject to meeting the program criteria. If your employer has 20 or more employees, or does not apply and get approved for the exception, the way your medical claims are paid will not change.

For the employee or their eligible dependent(s) to be approved for the SEE Plan, they must first be enrolled in Medicare Part A (hospital insurance).
How the program works for enrollees
If the exception is approved and you are enrolled in a plan, Medicare would then become the primary payer of your claims. This will include claims under Medicare Part A, covering inpatient care in hospitals, skilled nursing facilities, hospices, and home healthcare settings. For these claims, the Medical Trust plan will act as “secondary” payer of claims. That is, the plan will coordinate benefit payments with Medicare so that any claims not paid by Medicare will be processed under the Medical Trust plan.

For all other coverage, such as doctor visits, outpatient procedures, and prescription drug coverage, the Medical Trust plan will remain the primary payer of your benefits.

If you or your eligible dependent(s) elect or have elected to enroll in Medicare Part B medical insurance, the Medical Trust plan will also coordinate with Medicare. (Enrollment in Medicare Part B is not required in order to participate in the SEE Plan.) In this case, Medicare also would act as the primary payer for Part B claims, and the Medical Trust plan would act as the secondary payer. This includes out-of-pocket expenses such as deductibles and coinsurance.

Applying and Enrolling
1. You must complete Part I of the Eligibility Certification Form (enclosed) and submit it to your group benefit administrator with a copy of your Medicare ID. A separate form is required for each SEE Plan participant (employee or spouse).

2. Your group benefit administrator will review Part I, complete Parts II and III, enroll you in the SEE Plan, and submit the Eligibility Certification Form to our Client Services team.

3. Client Services will submit the completed form to the Centers for Medicare and Medicaid Services (CMS). CMS needs to approve both employers and each individual applicant for them to qualify for the MSP Small Employer Exception. You will remain in your current plan until CMS approval is received.

   Remember, to be approved for the Small Employer Exception plan, you must first be enrolled in Medicare Part A. To learn about how to sign up for Medicare, go to MyMedicare.gov. To submit your Medicare application online, go to https://secure.ssa.gov/iCLM/rib.

4. Upon receipt of approval, you will then participate in the SEE Plan, effective the first of the month following the CMS approval date. We will send you notification of the approval, more detailed information about the benefits of participating, and how the coordination of benefits with Medicare will work.

Please note: Participation in the plan is voluntary for employers and individuals. The Medical Trust does anticipate that out-of-pocket costs will be lower for plan participants, while employers may save significantly in the cost of health benefits.

For more details about the MSP Small Employer Exception, refer to the enclosed Member Fact Sheet. If you have any questions about the program, please contact our Client Services team at (800) 480-9967, Monday to Friday, 8:30AM – 8:00PM ET, or email mtcustserv@cpg.org.

Sincerely,

The Episcopal Church Medical Trust Team

This document is provided for informational purposes only and should not be viewed as legal, tax or other advice. Please consult with your own professional advisor for further guidance.