



**STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT**

"Working for Oklahoma"

OPM 09-24

DATE: July 20, 2009

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., IPMA-CP, Administrator and
Cabinet Secretary of Human Resources and Administration

A handwritten signature in black ink, appearing to read "Oscar B. Jackson, Jr.", positioned to the right of the "FROM:" line.

SUBJECT: Medicare as Second Payer (MSP) Information Sheet

Attached is a **Medicare Secondary Payer (MSP) Debt Recovery Notice Information Sheet** prepared by the Employees Benefits Council (EBC) regarding MSP debt collection procedures and suggestions for Appointing Authorities to create policy and procedure to prevent federal offset of state funds.

If there are questions or if additional information is needed, please contact Philip K. Kraft, Executive Director, Employees Benefits Council, at (405) 232-1190.

Attachment

Medicare Secondary Payer (MSP) Debt Recovery Notice Information Sheet

It is the policy of the Employees Benefits Council (EBC) to assist agencies of the State of Oklahoma in all matters related to insurance benefits. It has come to the attention of EBC that several agencies have received notices pertaining to Medicare Secondary Payer (MSP) debt and were not aware of the proper response. The following information is provided to clarify the issues. It is not intended as a complete and thorough listing of all the necessary information but rather is a broad overview of the MSP Debt Recovery process.

MSP debt occurs when an individual who is eligible for both Medicare and another insurance plan available to employees of the State of Oklahoma and/or their dependent(s) has a claim that is paid by Medicare which should have been paid by another carrier. Medicare then attempts to collect the debt from this improper claim using all means available to them, up to and including referral to the Department of the Treasury. The Department of Treasury collects debt through the mechanism of seizing federal funds disbursed to the State of Oklahoma. Regardless of the circumstances surrounding the debt, the primary responsibility for the debt remains with the employer. Therefore, the notice of MSP debt should be handled quickly and correctly to prevent potential negative consequences to the state and its agencies. For more information the following links are provided:

<http://www.cms.hhs.gov/MSPRecovClaimPro/>.

http://www.americanbenefitscouncil.org/documents/msp_recoveries_faq.pdf.

It is therefore recommended that agencies create their own policies and procedures for the appropriate handling of MSP Debt Recovery Notices. The following guidance regarding these policies and procedures is hereby provided to Appointing Authorities and their designees:

1. An internal procedure determining the recipient of the MSP Debt Recovery Notice should be established within the agency with advice of agency legal counsel. It is suggested that the points of contact should include, at a minimum, the Appointing Authority and Human Resources (HR) personnel, i.e., HR Director, Manager, Specialist and/or Benefits Coordinator.

2. Upon receipt of an MSP Debt Recovery Notice, the Appointing Authority or other individual who has been designated to receive the MSP Debt Recovery Notice should contact their agency legal counsel and forward a copy of the MSP Debt Recovery Notice along with a letter explaining the known facts regarding the situation, including whether beneficiary is an employee or a dependent, to the Executive Director, Employees Benefits Council (EBC), 120 North Robinson, Oklahoma City, OK, 73102. In those cases where HealthChoice is the primary insurance carrier, the Senior Plan

Analyst at Oklahoma State & Education Employees Group Insurance Board (OSEEGIB) should be notified at (405) 717-8701.

3. A representative from EBC or OSEEGIB, when notified, will act as liaison with the insurance carrier and the agency to determine the appropriate course(s) of action. However, the Appointing Authority of the agency retains full responsibility for the successful resolution of the MSP debt.

4. A team approach (the affected agency, EBC, OSEEGIB and/or agency legal counsel, and primary insurance carrier) should be implemented to respond correctly to this very serious matter. EBC stands ready to provide guidance and assistance to the individual agencies in an effort to help prevent an offset of federal funds.

07/20/2009