

Q2: MSP Data Match Program Electronic Information Exchange Alternative.
How is this new program working out?

A: We currently have voluntary agreements with AT&T, Lucent Technologies and GE, and are in negotiations with other large companies including the Ford Motor Company, Wal-Mart and our own U.S. Office of Personnel Management. We recently signed our first agreement with an insurer, United Health Care for the Empire Plan for New York State, to exchange Medicare eligibility information for insurer enrollee information. Finally, we recently finalized agreements with 44 Blue Cross and Blue Shield Association member Plans to extend and expand the terms of a negotiated Medicare Secondary Program settlement agreement so that it mirrors the current insurer voluntary data match agreement process. Our Coordination of Benefits Contractor assists in marketing and is tasked with implementing employer and insurer voluntary agreements as an alternative to the IRS/SSA/CMS Data Match.

The benefits of an employer or insurer voluntary agreement accrue to both CMS and the employer; interest in the employer and insurer community continues to grow. Rather than waiting the two-plus years it takes to get employer coverage information via the IRS/SSA/CMS Data Match, CMS benefits in that it receives employee and spousal coverage information on a current quarterly basis. CMS is able to update its internal records and immediately avoid making mistaken primary payments. In addition to these cost avoided savings, CMS saves in that it doesn't have to spend resources recovering as many mistaken payments that occur because of the lag time associated with gathering this coverage information via the IRS/SSA/CMS Data Match.

Employers and insurers benefit from the voluntary agreements several ways. First, in exchange for the employee and spousal coverage information they furnish, CMS provides the employer or insurer with Medicare eligibility information on employees who are no longer working. These are situations where Medicare is usually the primary payer. Second, because the voluntary process is a regular, quarterly process, the employer can more efficiently budget for the expense of doing the match. Third, because the voluntary process is relatively automated, the voluntary process can be more efficient, over the long run, compared to answering the annual IRS/SSA/CMS data match questionnaires. Fourth, as with CMS, the employer's costs associated with dispute resolution related to resolving mistaken payments are reduced. Fifth, insurers have a unique benefit in that we are working to absolve employers they offer insurance to from having to complete the IRS/SSA/CMS data match questions for those particular employees. This can be used in marketing their plans to prospective customers. Lastly, we believe it is in the best interests of our mutual customers to pay the beneficiary's claims correctly.

One employer has shared that the savings they have generated via their voluntary agreement with us pay for the initial cost of implementing the voluntary agreement several times over each year they continue the agreement.

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