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PA14-21
PAEX14-21

TO: Participating Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: NYBEAS Automatic Medicare Primacy Update

DATE: June 27, 2014

Background

The New York State Health Insurance Program (NYSHIP) requires its enrollees to enroll in Medicare Parts A and B when they are Medicare eligible. In the past, the New York Benefits Eligibility and Accounting System (NYBEAS) would automatically update Medicare primacy for NYSHIP enrollees based upon their job status and their 65th birthday. This automated Medicare change process occurred 3 months prior to the anticipated effective date of Medicare primacy.

This NYBEAS **Medicare Change** transaction updates the "Med Prmy" indicator on the member's Benefits file alerting the Empire Plan carriers to pay secondary to Medicare effective the first day of the month of their 65th birthday (or, if the birthday falls on the first of the month, the first day of the preceding month). The Employee Benefits Division (EBD) also sends a letter to the member explaining that they must enroll in Medicare A and B by the effective date.

This process created enrollment issues (denials) for the Empire Plan Medicare Rx whenever members were not enrolled in Medicare Parts A or B at the time the enrollment request was submitted, in addition to enrollment failures due to missing or incorrect Medicare specific information; such as incorrect date of birth, missing or incorrect Medicare ID number, incorrect spelling of member name, missing a physical address if the only address on file is a PO Box*, etc. and therefore, needed to be revised.

*For guidance on the proper processing requirements when changing a member's address in NYBEAS, please refer to HBA Memo PA14-21, PAEX14-21.

Change to NYBEAS Medicare Primacy Automatic Update Process

Effective immediately, the **Medicare Change** transaction is processed on eligible member accounts 2 months prior to their 65th birthday (or, if the birthday falls on the first of the month,

the first day of the preceding month) **only after** EBD verifies with the Centers for Medicare and Medicaid Services (CMS) that they are enrolled in Medicare Parts A or B.

If the enrollee does not enroll in Medicare timely, the Medicare primacy indicator **will not** be updated on their file. EBD will continue to mail members a Medicare information letter 3 months prior to their 65th birthday reminding them of their responsibility to enroll in Medicare A and B. Additionally, agencies will continue to be billed for these members as NYSHIP primary, instead of being billed at the MediPrime rate.

Agencies will continue to receive the Medicare Eligibility Report with their monthly bills detailing members that will be turning 65 within 2 months of the report. The report will include all members whose Medicare primacy indicators were updated **and** additionally, all members who did not enroll in Medicare Parts A or B timely, so their Medicare primacy indicators **were not updated**.

Agencies should reach out to their members and advise them to enroll in Medicare Parts A and B promptly to avoid a delay or diminishment of their benefits. HBAs should not add Medicare primacy to a file unless they have confirmation from CMS that the enrollee or dependent is enrolled in Medicare Parts A or B. A copy of the enrollee's Medicare card is the most acceptable form of documentation.

Additionally, EBD staff will review a member's file periodically within the 2 months prior to their 65th birthday in order to confirm enrollment in Medicare Parts A or B. If EBD receives notification from the member or from CMS of the Medicare enrollment, EBD staff will update the member's file appropriately.

Importance of Enrolling in Medicare Parts A and B

If a Medicare primary enrollee does not enroll in Medicare Parts A or B, CMS will deny the NYSHIP's request to enroll them in the Empire Plan Medicare Rx. Consequently, if the enrollee cannot be enrolled in Empire Plan Medicare Rx, all Empire Plan coverage may be terminated. .

If a member is cancelled from Empire Plan coverage due to a CMS denial, you will note the following transaction codes under the NYBEAS EVENTS panel: CAN/CMS, CCO/CMS, DEP/CMS. The member will receive a letter from EBD advising them of the reason(s) their coverage was cancelled. **HBAs should not reinstate benefits for these members**. Instead, please review the comments in NYBEAS or contact EBD for more specific information regarding the member's termination of coverage. EBD staff will provide additional guidance on reinstatement.

If you have any questions regarding the new automated Medicare enrollment process or reinstatement of benefits for cancelled members, please contact the Program Administration Unit of EBD at 518-474-2780.