



February 20, 2009

MEMORANDUM

To: All Payroll Locations

From: State Health Benefit Plan (SHBP)

Subject: Medicare Secondary Payer

Medicare Secondary Payer (MSP) is the term used when a Medicare Beneficiary has other group insurance besides their coverage with Medicare. MSP arises when Medicare learns that it made primary payment for services for a Medicare beneficiary that should have been paid by another group plan. The law requires Medicare to recover the payment and Medicare will send a “recovery demand letter.” If the matter is not resolved timely, the matter is referred to the U.S. Department of the Treasury for further collection action including legal action to collect the debt.

Medicare law states that an employer is responsible for the conduct of any group health plan that it sponsors. Therefore, if you receive a recovery demand letter, collection notices, notice of intent to refer debt, inquiry or telephone call about MSP, please immediately fax the information to 770-344-3769, Attention: Adriene DeBarr. Adriene’s telephone number is (404) 463-7009.

Failure to submit timely may result in the withholding of federal funds to your agency by the U.S. Treasury. Therefore, it is imperative that all MSP related documents be forwarded to the SHBP upon receipt.

Thank you for your attention to this matter.