

70.2 - Collection From GHPs and LGHPs

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When a *Medicare Cost Plan* is the secondary payer to an employer group health plan, the coordination of benefits occurs in the aggregate through the cost report process. This process results in a copayment as part of the *Medicare cost plan* benefit package for which every enrollee is liable. Therefore, there is no coordination of benefits on a

beneficiary-specific basis that would relieve an enrollee with employer group health plan coverage of his or her cost sharing obligation under the *Medicare cost plan*. As a result, the enrollee remains liable for payment of the *Medicare cost plan*'s cost sharing regardless of whether Medicare is primary or secondary. However, under 42 CFR 417.454, which addresses beneficiary financial protection contained in the contract between the Medicare cost plan and CMS, the *Medicare cost plan* is responsible for relieving the beneficiary of responsibility for payment of health care costs other than cost sharing, and therefore, the *Medicare cost plan must* relieve the enrollee of his or her liability under the terms of the employer group health plan.

For example, if the employer group health plan (the primary payer) has a copayment of \$20 and the *Medicare cost plan* has a copayment of \$10 for the service the beneficiary received, the beneficiary cannot be liable to pay more than the plan copayment of \$10. The *Medicare cost plan* must absolve the beneficiary of the liability for any amount in excess of the plan copayment of \$10.