

180.2 - Definitions under EGHP

(Rev. 30, 09-05-03)

A Medicare HCPP, in making a decision as to whether Medicare is primary or secondary, must be aware of the definition of these terms:

- **Employed** - For purposes of this discussion, encompasses not only employees, it also includes, subject to the special rules in this chapter, self-employed persons such as consultants, owners of businesses, directors of corporations, and members of the clergy and religious orders who are paid for their services by a religious body or other entity.
- **Employer** - Means, in addition to individuals and organizations engaged in a trade or business, other entities exempt from income tax such as religious, charitable, and educational institutions, the governments of the United States, the individual states, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the District of Columbia, and the agencies, instrumentalities, and political subdivisions of these governments.
- **EGHP for the Working Aged**, means any health organization that is paid for by or contributed to by an employer of 20 or more employees and which provides medical care, directly or through other methods, such as insurance or reimbursement, to current or former employees or to current or former employees and their families. This includes a multi-employer plan (i.e., a plan sponsored jointly by employers and unions) and a multiple employer plan (i.e., a plan sponsored by more than one employer) that is sponsored by or contributed to by at least one employer that has 20 or more employees. Under §1862(b)(1)(A)(iii) of the Act, if a multi-employer plan or multiple EGHP can identify particular enrollees as employees of employers that do not meet the 20-employee threshold, the MSP rules do not apply to these enrollees and their spouses. However, the organization must elect this treatment for the exception to apply.

The Federal Employees Health Benefits (FEHB) program meets the definition of an EGHP. Employees that pay all plans, i.e., group health plans under the auspices of an employer that do not receive any contribution from the employer, also meet the definition of an EGHP.

Assume, in the absence of evidence to the contrary, that any health plan (including a union plan) in which a beneficiary is enrolled because of the beneficiary's or the beneficiary's spouse's employment meets this definition.

NOTE: Medicare is secondary to EGHP coverage only if the EGHP coverage is by reason of the employee's current employment. Health insurance plans for retirees or the spouses of retirees do not meet this condition and are not primary to Medicare.

Multi-Employer Group Health Plan and Multi-Employer Plan are terms that refer to a multiple employer plan, which is a plan sponsored by more than one employer, or a multi-employer plan, which is sponsored jointly by employers and unions.