



Office of Financial Management/Financial Services Group

November 30, 2011

**The Medicare Secondary Payer Mandatory Reporting Provisions in
Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (the MMSEA)
(See 42 U.S.C. 1395y(b)(7)&(b)(8))**

ALERT: Group Health Plan (GHP)- New Employer Size Error (SP91)

Employer Size Error SP91 vs. SPES

This ALERT provides information about a new Error Code (SP91) related to Employer Size (Field 16, GHP MSP Input File).

Background:

Medicare Secondary Payer (MSP) regulations for beneficiaries entitled to Medicare due to age or disability require information on employer size to determine the correct primary payer. For Section 111, employer size is reported using the Employer Size indicator in Field 16 on the MSP Input File Detail Record. A value of "0" is used to report an employer size of 1 to 19 employees, "1" is used for 20 to 99 employees and "2" for 100 or more employees. More information on reporting Employer Size can be found in Appendix H in the current version of the MMSEA Section 111 GHP User Guide.

Current Process:

If an entry of "0" or "1" is entered in the Employer Size Field (Field 16), an SPES error may be generated. This error tells the RRE that, based on the Employer Size submitted and other rules, such as the reason for Medicare entitlement (see Appendix H), an MSP record was not created and Medicare is primary. The RRE is to review all SPES errors and if the information is correct, no immediate action is required. The RRE is to continue submitting the information on subsequent quarterly MSP Input File submissions. SPES errors are not included in the 20% error threshold.

Currently, if an invalid value is entered in the Employer Size Field (anything other than "0", "1" or "2") the system defaults the entry to a "2". Since no SPES error is generated if the invalid entry is defaulted to "2", this has the effect of preventing these records from being rejected due to employer size. This can result in the posting of erroneous records. In addition, the RRE receives no indication that they need to review/correct the entry in this field.

SP91 Error Code:

Effective July 6, 2012, the system will no longer default invalid entries in the Employer Size Field to "2". GHP RREs will begin receiving an SP91 error to inform them that an invalid data entry was made. Any entry other than "0", "1" or "2" is invalid. This includes alpha characters, other

numerics, spaces, blanks, symbols, etc. Any invalid data entry will receive an SP91 error and the record will be rejected. SP91 errors will be counted toward the 20% error threshold.

This change will help prevent the posting of erroneous records and will inform the RRE that it *must* provide a valid entry in this field.

Summary:

SPES errors will continue to be generated in certain cases if the entry in the Employer Size Field (Field 16) is “0” or “1”. No error will be generated if the entry is “2”. The SPES error does not provide any information to the RRE about the validity of the employer size entered. It just informs the RRE that no MSP record was created. RREs are to review their errors and data entered, decide if any correction is necessary and then resubmit data on next quarterly file.

If the RRE receives an SP91 error, that means that the data entered in Field 16 is invalid. The only valid entries are “0”, “1” or “2”. The RREs **must correct** their entry and resubmit on the next quarterly file.