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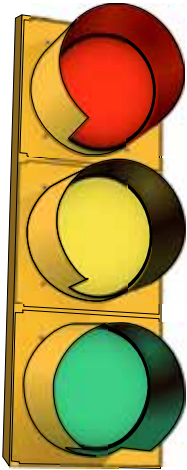
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## *Clarification of Medicare Secondary Payer (MSP) Rules in Relation to a Temporary Leave of Absence*

### Provider Types Affected

All providers.

### Provider Action Needed



#### **STOP – Impact to You**

MSP rules state that if an employee retains their employment status, Medicare remains the secondary payer.

#### **CAUTION – What You Need to Know**

There has been confusion regarding MSP rules when an employee takes a company-approved leave of absence. Because the employee still has employee status, health coverage through their employer is retained.

#### **GO – What You Need to Do**

Stay current with rules pertaining to employees and retained employment rights to ensure accurate billing and claims processing. This article clarifies that Medicare remains a secondary payer for employees on an approved leave of absence.

### Background

Examples of retained employment rights can include: company-approved temporary leave of absence for any reason, furlough, temporary layoff, sick leave, short-term or long-term disability, leave for teachers and seasonal workers who normally do not work year round, and for employees who have health coverage that extends beyond or between active employment periods. The employees in the latter category are sometimes referred to as having an “hours bank” arrangement.

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## Additional Information

You may also refer to the revised Publication 100-05, Chapter 1, Section 50B, which is part of the official instruction issued to your carrier/intermediary regarding this change. That instruction may be found at:

[http://www.cms.hhs.gov/manuals/transmittals/comm\\_date\\_dsc.asp](http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp)

On the above page, scroll down while referring to the CR NUM column on the right to find the link for CR 3447. Click on the link to open and view the file for the CR.

If you have questions regarding this issue, you may also contact your carrier or fiscal intermediary at their toll free number, which may be found at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

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