EPISCOPAL CHURCH MEDICAL TRUST

Medicare Secondary Payer Small Employer Exception Fact Sheet

What is the Small Employer Exception?
In most cases, Medicare is the secondary payer of healthcare claims for active employees covered under Medicare Part A and Part B, and your employer's health plan is the first, or primary, payer.

However, Medicare allows for an exception to the "secondary payer" rule for small employers (generally, those with fewer than 20 full- and/or part-time employees in the current and preceding calendar years). This exception is called the Small Employer Exception (SEE).

If approved for the exception, eligible employees may choose to participate in the Small Employer Exception Plan (the "SEE Plan"). Your employer will notify you if you are eligible. Participating in the SEE Plan may result in lower costs for you and your employer.

This fact sheet details how the program works and your benefits under the SEE Plan. Please be sure to read it thoroughly before you complete Part I of the eligibility form.

How does it work?
Eligible small employers can apply to the Centers for Medicare and Medicaid Services (CMS) for SEE approval by submitting to The Episcopal Church Medical Trust (Medical Trust) an Employee Certification Form for each participant who may be eligible.

Once CMS has approved the SEE request,[1] Medicare becomes the primary payer of claims under Medicare Part A and, if applicable, Medicare Part B, for approved participants. The SEE Plan becomes the secondary payer and will coordinate benefit payments with Medicare.

To participate in the SEE Plan, you must satisfy these criteria:

- Be age 65 or older
- Actively work for a qualified church or group that offers this choice
- Be enrolled in Medicare Part A
- Choose a participating Anthem or Cigna plan
- Be approved for the SEE Plan by Medicare
- Meet standard Medical Trust eligibility criteria

What is Medicare?

Medicare is the federal health insurance program for people who are 65 or older, certain people with disabilities, and people with end-stage renal disease (permanent kidney failure requiring dialysis or a transplant). The Medicare Secondary Payer Small Employer Exception applies to the following parts of the Medicare program:

Medicare Part A Generally covers normal inpatient hospital care, and some skilled nursing facility care, home healthcare, and hospice care. If you have worked in the United States and paid into Medicare for 10 years or more, Medicare Part A insurance is free. If you have not, you may still qualify for Medicare Part A but must pay the applicable premium.

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[1] *The CMS approval process may take up to 90 days.*
[2] *You may be able to get help from your state with paying your Medicare premiums. In some cases, Medicare Savings Programs may also pay Medicare Part A and Part B deductibles, coinsurance, and copayments if you meet certain conditions. Find more information about Medicare Savings Programs on Medicare.gov.*

Medicare Part B Covers doctors' services and includes general doctor visits, X-rays, lab tests, ambulance services, and speech, occupational, and physical therapy. Most participants are required to pay a monthly premium for Medicare Part B coverage.[2]

Is enrollment in Medicare Part A required?

Yes. To participate in the SEE Plan, any employee or dependent who is eligible for Medicare on the basis of their age must be enrolled in Medicare Part A, which helps cover the costs of inpatient care in hospitals, skilled nursing facilities, hospices, and home healthcare situations.

For all other coverage, such as doctor visits, outpatient procedures, and prescription drug coverage, the Medical Trust plan will remain the primary payer of benefits. However, if an employee or eligible dependent enrolls in Medicare Part B, Medicare will become the primary payer of Part B claims and the SEE Plan will become the secondary payer and coordinate benefit payments with Medicare.

Will there be savings for employers and for individuals?

When Medicare becomes the primary payer, the cost to employers of providing medical coverage may be reduced. Employees' hospitalization costs, including out-of-pocket expenses, such as deductibles and coinsurance, will typically be lower as well. You may also experience additional savings when you use network providers. Generally, you pay less for services from network providers than you will from out-of-network providers.

If I participate in the SEE Plan, will I continue to have access to the Medical Trust's additional benefits?

Yes, you will continue to have access to the additional benefits included in the Medical Trust plans, such as these:

- Vision care through EyeMed
- Cigna Employee Assistance Program (EAP)
- Health Advocate
- UnitedHealthcare Global travel assistance

For more information about these benefits, visit cpg.org.

Is participation in the SEE Plan mandatory?

No. Even if you are approved to participate in the SEE Plan, you can elect a different plan offered by your employer. However, participating in the SEE Plan could make costs for you and your employer much lower.

What You Will Pay for Coverage Under Medicare and As a Participant in the SEE Plan

You are responsible for premiums, deductibles, and coinsurance:

- Premiums are the amounts you must pay each year to be covered. If you meet the eligibility requirements, you do not have to pay an annual premium for Medicare Part A coverage.
- Deductibles are the amounts you must pay annually for your healthcare or prescription drugs before Medicare, your prescription drug plan, or your other insurance begins to pay.
- Coinsurance, which applies to certain kinds of benefits, is the percentage of medical expenses you must pay once any deductible has been met.

These costs apply to coverage under Medicare for 2023 and are before any coordination with the SEE Plan:

Inpatient Hospital Visits (Medicare Part A)

Period	Patient responsibility
Days 1-60	Deductible of $1,600*
Days 61-90	$400 coinsurance per day
Days 91 and beyond	$800 coinsurance per each "lifetime reserve day" (up to 60 days over your lifetime)
Beyond lifetime reserve days	Member pays entire cost

*Applies to each benefit period, beginning on the date you are admitted to a hospital or skilled nursing facility, and ending when you haven't received any inpatient care (in a hospital or skilled nursing facility) for 60 days in a row.

Cost-sharing under the SEE Plan

Currently, the Medical Trust partners with Anthem Blue Cross and Blue Shield (BCBS) and Cigna to provide coverage to members approved for and enrolled in the SEE Plan. Deductibles vary by plan.

2023 Deductibles

	Anthem 100 / Cigna 100	Anthem 90 / Cigna 90	Anthem 80 / Cigna 80	Anthem 70 / Cigna 70
Individual/family deductible (network)	$0 / $0	$500 / $1,000	$1,000 / $2,000	$3,500 / $7,000

Each plan sets an annual limit on the out-of-pocket costs you will have to pay for services. This out-of-pocket limit is equal to the combined total of your annual deductible and annual cost sharing. For Medicare Part A and Part B claims, your out-of-pocket costs will apply toward your out-of-pocket limits in the SEE Plan.

2023 Out-of-Pocket Limits

	Anthem 100 / Cigna 100	Anthem 90 / Cigna 90	Anthem 80 / Cigna 80	Anthem 70 / Cigna 70
Individual/family out-of-pocket limit (network)	$2,000 / $4,000	$2,500 / $5,000	$3,500 / $7,000	$5,000 / $10,000

Please see the attached Appendix for a sample comparison of the Medical Trust and member costs under an Anthem/Cigna PPO Plan and a SEE Plan.

Questions?

For assistance regarding the SEE Plan, or any other questions you may have, please contact our Client Services team at (800) 480-9967, Monday to Friday, 8:30 AM to 8:00 PM ET, or *mtcustserv@cpg.org*.

APPENDIX

Comparing Costs

This table represents a sample hospital claim. It shows a member's costs without and with participation in the SEE Plan. Benefit cost sharing is based on the Anthem BCBS PPO 80 and Cigna PPO 80 Plans. The costs shown assume that the SEE Plan deductible has been met.

Anthem or Cigna PPO 80 Plan (20% coinsurance)

	Example 1 – without Small Employer Exception (Anthem or Cigna as primary payer)	**Example 2 – with Small Employer Exception** (Medicare Part A as primary payer)
Medicare Part A billed charges	$10,000.00	$10,000.00
Medicare allowed amount[3]	$2,700.00	$2,700.00
Medicare payment:		
Medicare deductible	N/A	$1,600.00
Medicare paid (after deductible)	N/A	$1,100.00
PPO payment:		$1,600.00
Plan allowed amount[4]	$7,695.00	(2023 Medicare deductible)
Plan liability based on amount not covered by Medicare (PPO plan's maximum allowed amount)	$7,695.00	$1,600.00
Multiplied by coinsurance	x20%	x20%
Coinsurance amount	$1,539.00	$320.00
PPO Plan pays	$6,156.00	$1,280.00
Member pays	$1,539.00	$320.00

[3] *The Medicare allowed amount is what Medicare has agreed to pay for covered services. This amount can differ depending on what services you're seeking and whom you are seeking them from. This example assumes a Medicare allowed amount of $2,700.00.*

[4] *The Plan allowed amount is what the health plan carrier has agreed to pay for covered services or, for services received from an out-of-network provider, the most the health plan carrier will pay as determined by one of several methodologies. See your Plan Document Handbook for more information.*