



# Medicare as Primary Payer

Important Information for Location Administrators

RCAB Health Plan

2025

# What is Medicare

- Medicare is a federally-administered system of health insurance primarily intended for individuals aged 65 or older.
- Medicare Part A (Hospital Insurance):
  - Helps cover inpatient care in hospitals (includes critical access hospitals, inpatient rehabilitation facilities, and long-term care hospitals).
  - Helps cover skilled nursing facility (not custodial or long-term care), hospice, and home health care services.
  - No monthly premium if you paid FICA taxes (Social Security) while working.
- Medicare Part B (Medical Insurance):
  - Helps cover doctor services and outpatient care.
  - Helps cover some preventive services to help maintain a person's health and to keep certain illnesses from getting worse.
  - Generally, pays 80% of the Medicare-approved amount for covered services.
- Must sign up for both Part A and B.



# Medicare as “Primary Payer”

- For employees age 65+ with Medicare and RCAB Health Plan, there are two “payers.”
- When there is more than one payer, “coordination of benefits” rules determine which one pays first.
- The “primary payer” pays what it owes on employee’s medical bills first, and then sends the rest to the “secondary payer” to pay.

# Small Employer Exception

- Parishes/Schools/Related entities with fewer than 20 employees *AND* an employee or spouse or religious age 65 or older enrolled in the Lay Health Plan are eligible for a “Small Employer Exception,” which allows Medicare to become the “Primary Payer” of medical expenses.
- RCAB Health Plan (Blue Cross Blue Shield) will continue to provide coverage as a “Secondary Payer” for these covered individuals.

# Goal of Implementing MPP

- Review of RCAB Health Plan Expenses:
  - Single largest cost: hospitalization
  - RCAB Health Plan costs are expected to increase 10+% each year into the future
- Part of the plan to manage Health Plan expenses:
  - Ongoing annual savings: \$1.0-1.5 million
  - Savings benefit all parishes/schools/institutions and all employees
  - Will continue to add employees and spouses to MPP program as they “age in” or move to small locations.
  - Non-incardinated priests and religious order priests, brothers, and sisters are also eligible if they are enrolled in the RCAB Health Plan.

# Small Employer Exception Process

- To begin the application process for Medicare Primary, your location must first be certified as a “Small Employer” as defined by the Centers for Medicare Services (CMS):
  - Certify that location has not had 20 or more employees on each working day in 20 or more calendar weeks in the current or preceding calendar year.
  - Exclude priests and sisters.
- Complete and sign a Small Employer Exception Submittal Certification.

Small Employer Exception (EE) Package

**Small Employer Exception Submittal Certification**

Employer Name: Our Lady of Good Counsel Parish  
Employer Address: 22 Plymouth Street  
Address Line 2: Methuen, MA 01844

We certify that we have not had 20 or more employees on each working day in 20 or more calendar weeks in the current or preceding calendar year.

We employ 13 employees.  
Employer Identification Number (EIN): 04-3517055  
Employer Tax Identification Number (TIN): 04-3517055

Karen Miller  
Employer Representative Name  
 10/22/21  
Date

Kelly Mullin  
Submitter's Representative Name  
 10/22/21  
Signature of Submitter's Representative Date



# We Need Employers' Help

- SEE Certification will be sent to CMS along with information about the employee/spouse/religious eligible for MPP
- SEE Certification is effective for two years, so may need to be completed in the future for employees/spouses as they age in
- Please notify the Benefits Office if your location increases employees to 20 or more – the Benefits Office also audits employee totals on an ongoing basis to ensure compliance
- Same form can be used by Clergy Health Plan, which implemented Medicare Primary Payer in 2010

# **What eligible employees/spouses need to do: Medicare Part A**

- If already over age 65 and receiving Social Security payments:
  - Enrolled in Medicare Part A automatically when payments begin.
  - Initial Enrollment Questionnaire sent about 3 months prior to 65<sup>th</sup> birthday asking for status of employer-sponsored health plan coverage.
  - No cost to Part A.
- If already over age 65 and not receiving Social Security payments:
  - Contact Social Security to enroll in Medicare Part A.
  - No cost to Part A.

## **What eligible employees/spouses need to do: Medicare Part B**

- If already over age 65 :
  - Will need to enroll in Part B by calling Social Security and/or visiting a Social Security Office or enrolling online.
  - Part B premiums (~\$185.00 per month for most individuals enrolling for the first time in 2025) .
  - If collecting Social Security payment, will be automatically deducted.
- If not yet age 65, can enroll in Part A and Part B at the same time, up to three months prior to month of 65<sup>th</sup> birthday.

# Part B Reimbursement

- RCAB Benefits Office will deduct the Part B premium from monthly invoice, leaving funds for parish/other location to use for reimbursement of enrolled employee or enrolled spouse.
- Part B premium should be reimbursed to the employee through payroll.



ROMAN CATHOLIC ARCHDIOCESE OF BOSTON

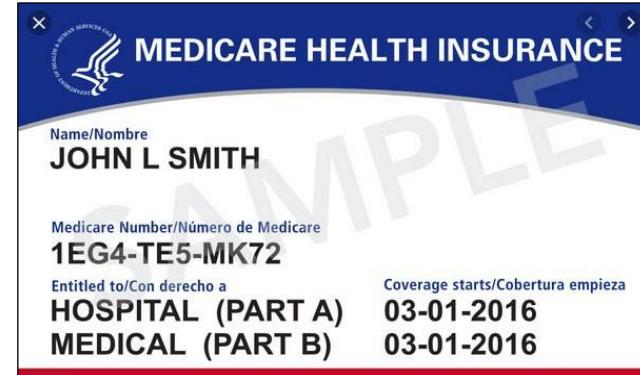
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MONTHLY INVOICE # 14599781

RCAB Institution Number

# After employees obtain a Medicare Card...

- Employees should provide copy of Medicare card and statement showing monthly premium to the Benefits Office.
- Doctors and other medical providers should be told that Medicare will be paying bills as the primary insurer as of the Medicare Part B effective date.



## **Additional benefits for MPP participants enrolling in Medicare Part B:**

- For all employees/spouses enrolled in the Medicare Primary Payer Program for Part B, effective 7/1/2020 the overall premium charged to their employers will be reduced by 10%, resulting in a discounted Health Plan deduction to the employee/spouse.  
(amount to be automatically calculated in BAS and loaded into Paylocity for users of that system; other locations should manually adjust employee deductions)
- No need to enroll in Part B at time of retirement.



## **Additional benefits for MPP participants enrolling in Medicare Part B:**

- CVS Minute Clinic visits – \$5 co-pay.
- Generic prescription medications - \$5.00 co-pay (for Enhanced Plan) reduced from \$10.00 co-pay for non-MPP employees and spouses) (\$10.00 co-pay for Basic Plan).
- Annual eyeglass and contact lens allowance of \$100.00. Purchase glasses or contacts and submit reimbursement form to Blue Cross Blue Shield for tax-free reimbursement.



# For Additional Information

- Medicare
  - 1-800-MEDICARE (1-800-633-4227) [mymedicare.gov](http://mymedicare.gov)
- Social Security
  - 1-800-772-1213 [ssa.gov](http://ssa.gov)
- SHINE
  - 1-800-AGE-INFO / 1-800-243-4636 [shinema.org](http://shinema.org)
- Benefits Office
  - Donna Ynaya Porter (617) 746-5641 [dporter@rcab.org](mailto:dporter@rcab.org)