

Medicare Premium Payment Review

Integrating State and Federal Data to Ensure Accurate State Medicare Buy-In Expenditures



Situation

States pay hundreds of millions of dollars in Medicare Part A and Part B premiums each month on behalf of qualifying individuals through the Medicare Savings Programs, commonly known as Medicare Buy-In. The Social Security Administration (SSA), the Centers for Medicare and Medicaid Services (CMS), and states work together to determine individual Medicare Buy-In eligibility and process monthly state Medicare premium payments. Within states, Medicare Buy-In administration is often spread across Medicaid and other health and human service programs, and eligibility determination, payment, and financial management activities often reside in separate units.

With so many parties involved at the state and federal levels, discrepancies related to eligibility and premium billing frequently occur, resulting in inaccuracies that can cost states millions of dollars. Reconciling state Medicare premium payments is complex, requiring integration of SSA, CMS, and state data sets. This process can be especially challenging when states lack the resources and time necessary to understand, identify, and resolve both eligibility mistakes made by SSA and inappropriate premium charges imposed by CMS.

Solution

The University of Massachusetts Medical School, through its Center for Health Care Financing division, has developed a portfolio of tools to help states identify, correct, and recover erroneous Medicare premium payments. Our Medicare Premium Payment Review initiative helps ensure that monthly state payments submitted through the state's Medicare Buy-In program are accurate from both eligibility and financial perspectives.

Our research and findings have discovered that erroneous state premium charges and payments may persist for months – or even years. Based on our work, in 2009, SSA identified and corrected a systemic flaw in their eligibility systems related to the determination of Part A entitlement status and premium rates. As a result, CMS refunded more than \$250 million to states for improper Part A premium charges since the 1990s. We continue to identify and work with SSA and CMS on new and outstanding discrepancies in state charges and Medicare premium rates, in addition to populations of cases for which premium rates have not been fully corrected and credited.

At a Glance

To support Medicaid as the Payer of Last Resort and help ensure the accuracy of Medicaid expenditures, UMass identifies and pursues correction and recovery of erroneous state Medicare premium payments.

UMass findings have led to corrections in SSA and CMS Medicare premium billing systems, which returned more than \$250 million to states for improper premium charges.

Since 2008, UMass helped three states save and recover more than \$99 million in Medicare premium overpayments.

Benefits

States

- Ongoing premium payments and improper historical payments are corrected and refunded, creating cost savings and revenue opportunities for states.
- Many Medicaid programs do not have the resources or expertise to fully audit the monthly Medicare premium billing files from CMS. We ensure that billing transactions are accurate and states do not overpay Medicare premiums. Additionally, we identify and correct billing discrepancies and improper payments as quickly as possible, preventing ongoing and accumulating overpayments.

Individuals

- Review of Medicare entitlement status ensures individuals receive proper Medicare coverage. Review and correction of Medicare entitlement may also uncover and correct missed entitlement to additional Social Security benefits – leading to increased cash benefits for individuals.

Sample Results

Through the Medicare Premium Payment Review initiative, **UMass has helped three states save and recover more than \$99 million** in improper Medicare premium payments since 2008.

- In 2014, four of our state clients received more than **\$83 million in credits** from CMS, resulting from a reconciliation program developed in response to our continued work.
- In one state, since 2008, we have **identified more than \$20 million in premium overpayments and recovered more than \$17.9 million** to date.
- In another state, since 2011, we have **identified more than \$22 million in premium overpayments and recovered more than \$13 million** to date.

Why Choose Us?

Unlike most health consulting firms, UMass Medical School is itself a public entity driven by a mission to serve public health and human service agencies. We work to understand your agency's mission and programs, and are flexible to your needs and capacity.

As a public organization, we are uniquely prepared to recognize and address the challenges of state and local agencies. In addition to strong academic backgrounds, many of us have professional experience in government at the state and federal levels. We have come from Medicaid, welfare and other human service agencies, and we understand the problems, issues and concerns faced by states every day because we have dealt with those issues ourselves.



Contact:

Jenifer Hartman

Tel: 617-886-8041

Email: jenifer.hartman@umassmed.edu

Visit our website:

<http://chcf.umassmed.edu>



**Center for Health Care
Financing**

The Schrafft Center
529 Main Street, 3rd Floor
Charlestown, MA 02129