

Health Connector for Business Policy: TEFRA Medicare Secondary Payer (MSP) Documentation

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This policy applies to small group health and dental products.

At the time of enrollment, all eligible employer groups will provide the Health Connector for Business with the total number of employees participating in Health Connector for Business small group health and dental products including:

- a) Full time employees,
- b) Part time employees (only included if offered coverage), and
- c) Employees for whom Medicare is the secondary payer (as determined under the Medicare Secondary Payment rules under the Tax Equity and Fiscal Responsibility Act or TEFRA).

The total number of full-time employees must include all individuals who receive payments from the employer that are subject to Federal Insurance Contributions Act (FICA) taxes. For these purposes:

- A self-employed company owner *is not* counted as an employee.
- A retiree is counted as an employee only if they are receiving payments from the employer that are subject to FICA taxes (for example, in a situation where a retiree is working as a consultant to the employer).

All individuals meeting the preceding definition shall be counted regardless of their status as leased employees, employees out on disability for six (6) months or less, contracted workers, consultants or seasonal employees.