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BULLETIN 2017

Prepare Your Practice: New Medicare Cards and Identifiers Coming April 2018

The Centers for Medicare & Medicaid Services (CMS) is rolling out new, redesigned health identification cards for Medicare beneficiaries. Not only is the layout of the card changing, but Medicare beneficiaries are also receiving new identification numbers, called Medicare Beneficiary Identifiers (MBIs). These new MBIs are replacing the current Health Insurance Claim Number (HICN), which is based on the beneficiary's Social Security Number (SSN). CMS is replacing the SSN-based HICNs with MBIs in an effort to prevent Medicare fraud and protect beneficiaries from identity theft.

CMS will begin mailing the new Medicare cards in phases to all 60 million active Medicare beneficiaries starting in April 2018 and continuing through April 2019. The overall transition to using the MBIs in administrative transactions, such as for eligibility requests and claims, will continue through December 2019. It is crucial, however, that all practices and vendors make the necessary changes to their workflows and technology systems **now** to ensure they are prepared for this major change and avoid payment delays.

Background

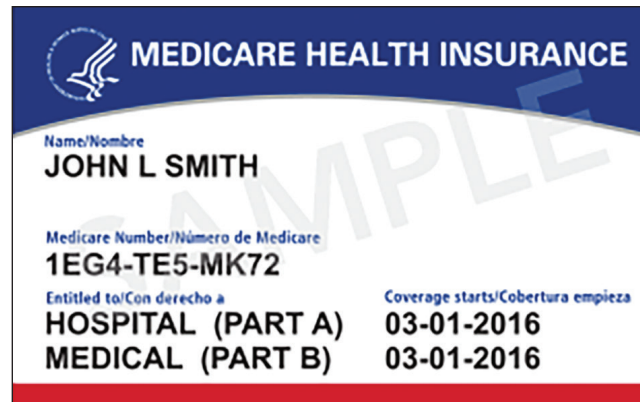
The Medicare Access and Children's Health Insurance Program (CHIP) Reauthorization Act (MACRA) of 2015 included a provision that requires CMS to remove the SSN, as used in the HICN, from Medicare cards by

April 2019. The language specifically calls for the SSN not to be displayed, coded, or embedded on the Medicare card issued to individuals. The switch from the HICN to the MBI is part of CMS' effort to fight fraud and prevent identity theft. In addition to Medicare, the HICNs used by state Medicaid agencies and the Railroad Retirement Board (RRB) will be replaced with MBIs.

New Medicare Cards and MBI

The new Medicare cards will have an updated look, making it easy to differentiate between the old and new cards. The new cards will also include the beneficiary's MBI. The MBI will stay with the beneficiary for life, and a new, replacement MBI will only be issued if the beneficiary's original MBI has been compromised. As an additional safeguard against fraud and identity theft, the beneficiary's gender and signature have been removed from the redesigned cards. Figure 1 is an example of what the new Medicare card will look like.

Figure 1. Sample of New Medicare Identification Card



Source: Centers for Medicare & Medicaid Services. Available at <https://www.cms.gov/medicare/new-medicare-card/nmc-home.html>. Accessed October 11, 2017.

Like the current HICN, each MBI will be 11 characters in length, but the MBI will contain key differences that make it visibly distinguishable from the HICN. For instance, MBIs will contain uppercase letters and numbers, and positions 2, 5, 8, and 9 will always be letters. To avoid letters being confused with numbers, MBIs will not contain the letters B, I, L, O, S, and Z. In addition, MBIs will have no embedded logic. Each beneficiary will be assigned his or her own MBI, unlike HICNs, which may be the same for spouses and dependents. A side-by-side comparison of an HICN and an MBI is shown in Table 1.

Table 1. HICN vs MBI

HICN	MBI
123456789A1	1EG4TE5MK73

Transitioning to the New Medicare Card and MBI

CMS will send the new Medicare cards to existing beneficiaries in phases over a 12-month period beginning in April 2018. CMS is not disclosing specific details regarding the new Medicare card rollout schedule due to fraud and theft concerns.

Although there will be a transition period for existing Medicare beneficiaries, practices and practice management system (PMS) vendors must make the necessary systems and workflow changes to accommodate MBIs

by **April 1, 2018**. Keep in mind that patients who are new to the Medicare program beginning in April 2018 will only be issued an MBI and will never receive an HICN from Medicare. Practices and their vendors must be ready to use MBIs by April 2018 to avoid payment delays for new Medicare beneficiaries.

For existing Medicare beneficiaries, there will be a transition period from April 2018 through December 2019, during which practices may submit either the HICN or MBI in Medicare transactions. As of January 1, 2020, Medicare will only accept MBIs in administrative transactions, with limited exceptions involving look-back functions such as appeals, audits, or retrospective adjustments.

Using MBI in Administrative Transactions

Just like today's HICN and other payers' patient identifiers, the MBI will be used in all administrative transactions in which the patient's insurance coverage must be reported. The MBI will replace the HICN in transactions, including eligibility requests, claims, remittance advices, prior authorization requests, and claim status checks. The MBI will be placed in the same field that was formerly populated by the HICN in these transactions. It is important to note that only the HICN or the MBI will be reported in a transaction. Practices may not submit both identifiers in the same claim. CMS will respond with the same patient identifier sent by the practice.

Beginning in October 2018 through the end of the transition period, when a valid and active HICN is submitted in Medicare fee-for-service claims, both the beneficiary's HICN and MBI will be returned in the remittance advice (X12 Electronic Remittance Advice "835"). The MBI will appear in the same place in the remittance advice where practices currently receive the "changed HICN."

Medicare will **not** provide MBIs in eligibility responses. However, from April 2018 through December 2019, Medicare will include a message in the eligibility response transaction (X12 Eligibility Response "271") indicating that a new Medicare card was sent to the beneficiary if an HICN was reported in the eligibility request transaction (X12 Eligibility Request "270") and the beneficiary's new card was mailed.

Once practices obtain a beneficiary's MBI, they should switch to using only it in all transactions. The sooner practices begin using the MBI, the more time they will have to ensure that the MBI is correctly captured in the PMS and properly transmitted in all transactions before the January 1, 2020 deadline. Identifying any issues with the PMS or in transactions well before the deadline will be critical for preventing disruptions in the workflow processes of the practice. CMS intends to actively monitor MBI usage during the transition period to verify providers are prepared to exclusively use MBIs come January 1, 2020.

Vendor Preparation

To ensure readiness to use MBIs in administrative transactions, practices need to contact their PMS vendors as soon as possible to determine what changes will need to be made to their systems and when those updates will be completed. Practices and their vendors should test their systems prior to April 2018 to confirm that all changes to the PMS are working properly. In particular, practices should confirm that their systems have the ability to:

- accept and store a beneficiary's MBI provided by Medicare in the electronic remittance advice for claims submitted with HICNs;
- prompt practice staff to ask a patient for the new Medicare card when an eligibility response includes a message indicating that CMS has mailed the beneficiary's new card;
- store both the HICN and MBI (not simply overwrite the HICN with the MBI), as the practice will need to retain the HICN for other purposes, such as audits, retrospective adjustments, appeals, and collections; and

- identify patients who qualify for Medicare under the RRB and send claims to the RRB Specialty Medicare Administrative Contractor (<https://palmettogba.com>), as the MBI, unlike the HICN, will not distinguish RRB patients.


Obtaining the MBI

To avoid payment delays and workflow disruptions, practices should obtain their Medicare patients' MBIs as soon as possible after issuance of the new cards, store this information in the practice's PMS, and use the new identifiers in all future administrative transactions. While CMS will include a patient's MBI on the electronic remittance advice when a valid HICN is submitted from October 1, 2018 through the end of the transition period in December 2019, there are several other ways practices can be proactive and avoid delays in obtaining their patients' MBIs.

Patient Communication

Practices should begin discussing the new Medicare cards with their patients now. This will ensure that Medicare beneficiaries are prepared for the arrival of their new card and know to bring it with them to their next appointment. CMS is planning wide-scale outreach to beneficiaries about the new Medicare cards. (See Figure 2 for the new Medicare card flyer.)

Figure 2. New Medicare Card Flyer



You're getting a new Medicare card!
Cards will be mailed between April 2018 – April 2019

You asked, and we listened. You're getting a new Medicare card! Between April 2018 and April 2019, we'll be removing Social Security numbers from Medicare cards and mailing each person a new card. This will help keep your information more secure and help protect your identity.

You'll get a new Medicare Number that's unique to you, and it will only be used for your Medicare coverage. The new card won't change your coverage or benefits. You'll get more information from Medicare when your new card is mailed.

Here's how you can get ready:

- Make sure your mailing address is up to date. If your address needs to be corrected, contact Social Security at ssa.gov/myaccount or 1-800-772-1213. TTY users can call 1-800-325-0778.
- Beware of anyone who contacts you about your new Medicare card. We'll never ask you to give us personal or private information to get your new Medicare Number and card.
- Understand that mailing everyone a new card will take some time. Your card might arrive at a different time than your friend's or neighbor's.

CMS Product No. 12002
September 2017

Source: Centers for Medicare & Medicaid Services. CMS Product No. 12002. September 2017. Available at <https://www.medicare.gov/Pubs/pdf/12002-New-Medicare-Card-flyer.pdf>. Accessed October 11, 2017.

Practices will also play an important role in educating patients about their new Medicare cards. Specific steps that practices should take to educate Medicare patients about the new cards include the following:

- Remind Medicare patients to confirm that their address on file with the Social Security Administration is correct to ensure the new Medicare cards are mailed to the proper address.
- Post notices in waiting rooms and other patient-facing areas of the practice about the new Medicare cards. (CMS offers printable handouts and flyers on its new Medicare card website at www.cms.gov/medicare/new-medicare-card/nmc-home.html.)
- Beginning in April 2018, include prompts in appointment reminders for a Medicare patient to bring his or her new Medicare card to all office visits.

There are concerns that Medicare beneficiaries may not be aware of the upcoming change and, thinking the new cards are “junk mail,” may discard it. Given the vulnerable nature of this population and the involvement of others (eg, caregivers, family members) in their care, having practices provide information to their patients about the new Medicare card and MBI will reinforce the educational materials that beneficiaries will be receiving from Medicare. Assistance from practices with alerting Medicare patients about the new cards and MBIs will help relieve any confusion they may have about this change.

Provider Look-Up Tool

CMS will be launching a secure MBI look-up tool in June 2018 for instances when a beneficiary does not have his or her new Medicare card at the point of care. Physicians will need a Medicare administrative contractor (MAC) Portal account to access the look-up tool. If a physician does not have a MAC Portal account, he or she should contact his or her MAC now to create one. See Table 2 for a checklist of things a practice should do for a smooth transition to the new MBIs.

Table 2. Practice To-do List

Actions to take for a smooth transition to the new MBI:

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| ✓ Educate practice staff about the rollout of the new Medicare cards with the new MBIs. | ✓ Begin using the new MBI in Medicare transactions as soon as it is received. |
| ✓ Contact PMS vendors about what system changes need to be made to accommodate the MBI. | ✓ Monitor eligibility responses as of April 1, 2018 for messages that indicate the patient was mailed the new Medicare card. |
| ✓ Alert Medicare patients that they will be receiving new Medicare cards with their new MBIs. | ✓ Monitor remittance advices as of October 1, 2018 for messages that provide the patient's MBI. |
| ✓ Remind patients to confirm their addresses on file with the Social Security Administration are correct to ensure that they receive their new Medicare cards. | ✓ Sign up for the MAC Portal to access to the MBI look-up tool. |
| ✓ Tell Medicare patients to bring their new Medicare cards to their next appointment after they receive it. | |

For key dates for the transition to the new MBIs, see Table 3.

Table 3. Key Transition Dates

Date	Action/Requirement
January 1, 2018	<ul style="list-style-type: none"> • CMS begins generating MBIs and producing new Medicare cards.
April 1, 2018	<ul style="list-style-type: none"> • CMS begins sending out new cards with MBIs. • A practice's PMS must be ready to capture MBIs. • Medicare will accept either an HICN or MBI in administrative transactions for existing beneficiaries during the transition period (April 1, 2018 through December 31, 2019). • Medicare will include a message in the eligibility response stating that the beneficiary was sent a new card with the MBI (April 1, 2018 through December 31, 2019).
June 1, 2018	<ul style="list-style-type: none"> • MAC Portal look-up tool becomes available to access patients' MBIs.
October 1, 2018	<ul style="list-style-type: none"> • Medicare includes the MBI in the remittance advice when the beneficiary has received an MBI and the practice submitted the HICN on the claim (October 1, 2018 through December 31, 2019).
April 16, 2019	<ul style="list-style-type: none"> • Deadline by which all new Medicare cards with the patients' MBIs must be sent to beneficiaries.
January 1, 2020	<ul style="list-style-type: none"> • Only the MBI is accepted in administrative transactions.

Conclusion

Practices must be aware of and prepare for another systems change. This change, while limited to one payer, will have a wide-scale impact. All Medicare beneficiaries will be transitioned from the HICN to a new MBI. The MBI will need to be captured in the practice's administrative systems and used in transactions with Medicare. Although there is a 21-month transition period during which HICNs or MBIs may be submitted, the rollout of the MBIs will not be completed until April 2019. Practices will only have eight months after all the new Medicare cards have been mailed out to make sure their systems are functioning properly and transactions are being processed correctly. The sooner practices begin capturing and using the MBI in transactions for existing beneficiaries, the more time they will have to verify that everything is working as expected. In addition, practices must be prepared to use MBIs effective April 1, 2018, for patients who are new to the Medicare program and never received a HICN.

Replacing HICNs with new MBIs is a significant step toward preventing identity theft in the Medicare population. Practices play an important role in reinforcing this switch with their Medicare patients, who are likely to be unaware of or confused by the new Medicare card. Efforts by practices to raise awareness among their Medicare patients will help support and reinforce the information these patients are receiving from Medicare and reassure them that the new Medicare card is legitimate.

More information about the new Medicare card and MBI is available from CMS at www.cms.gov/medicare/new-medicare-card/nmc-home.html and the American Medical Association at www.ama-assn.org.

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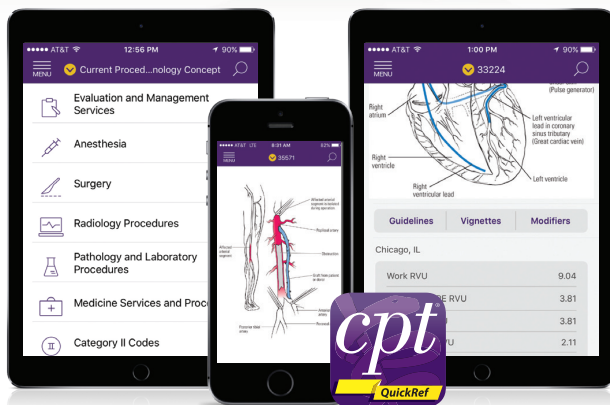


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