The New Match Game: IRS-SSA-CMS Data Match Program

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Quick Facts:

- The Data Match program requires that employers share certain information regarding health plan coverage with the Centers for Medicare & Medicaid Services (CMS).
- CMS uses the reported information to determine whether Medicare or an employer-sponsored group health plan should pay eligible claims first.
- Employers must complete a questionnaire, providing health coverage information about their Medicare-eligible employees and their spouses.
- Employers have 30 days to complete the questionnaire (unless an extension applies).

Background

The Omnibus Budget Reconciliation Act of 1989 requires the Internal Revenue Service (IRS), Social Security Administration (SSA), and CMS to share information about whether Medicare beneficiaries or their spouses are working. The process for sharing this information is called the IRS-SSA-CMS Data Match (Data Match). The purpose of the Data Match is to identify situations where another payer (such as an employer-sponsored group health plan) must pay eligible medical claims before Medicare.

Employer reporting requirements

CMS typically begins the Data Match process by sending a letter to an employer asking if certain individuals worked during a specific time period and, if so, whether they had employer-sponsored group health plan coverage. These inquiries, which are part of the Data Match program, help Medicare identify claims on an ongoing basis for which Medicare should not be the primary payer. Employers must respond within 30 days of the initial inquiry, unless an extension has been requested and approved.

Employers’ Data Match questionnaire responses are submitted through the IRS/SSA/CMS Data Match website.

Employers may submit information in one of two ways depending on employee count – Direct Entry or Electronic Media Questionnaire (EMQ):
The Direct Entry method is an internet-based option that allows an employer to complete Data Match questionnaires directly online without downloading or uploading files. Employers that need to report on fewer than 50 workers should use the Direct Entry method.

The EMQ method is available to employers that need to report on 50 or more workers. Employers choosing this method will download a file of the workers via the IRS/SSA/CMS Data Match website. After completing the questionnaire response file, they will then return to the Data Match website and upload the data.

Employers can get more information on the reporting process from CMS’ published instructions.

Penalties for not completing a questionnaire

CMS may assess a civil monetary penalty of up to $1,000 per individual about whom it requested information against an employer that willfully or repeatedly fails to report, or that provides inaccurate or incomplete information. In addition, CMS may investigate the employer’s group health plan and, if noncompliant, refer the plan to the IRS which may impose an excise tax on the employer.

Requesting an extension

Employers that need more than 30 days to complete the questionnaire can request an extension of an extra 30 days by calling CMS at 1-800-999-1118 or (TTY/TDD): 1-800-318-8782. CMS generally will reject requests for extensions beyond 60 days (the original 30 days and one 30-day extension) by employers reporting on fewer than 150 workers. CMS will review large employer extension requests on a case-by-case basis. Requests for extensions beyond the 60-day period must be submitted in writing detailing the reasons for the extension.

What this means for employers

If you receive a CMS Data Match letter, you should respond within 30 days. If you cannot meet the deadline, contact CMS immediately to request a 30-day extension. Failure to comply can result in a $1,000 penalty per individual for whom CMS requested information. Additionally, repeated or willful violations can trigger significant penalties, business records subpoenas and extensive investigations.

Links and resources

- CMS’ website on the Data Match program
- Data Match instructions to help employers complete the group health plan questionnaire

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