

February 5, 2018

CMS Announces First States where Beneficiaries Will Receive New Medicare Cards

As discussed in Segal Consulting's August 2, 2017 Update, to combat identity theft, fraud and the illegal use of Social Security numbers, the Centers for Medicare & Medicaid Services (CMS) will remove Social Security numbers from all Medicare identification cards by April 2019. The current Health Insurance Claim Number (HICN), which is based on a beneficiary's Social Security number, will be replaced by a new Medicare Beneficiary Identifier (MBI). CMS refers to this initiative as the Social Security Number Removal Initiative (SSNRI).

CMS has now announced the first states, including the District of Columbia and territories, where beneficiaries will receive new Medicare cards with new ID numbers from April to June 2018. These states are divided into two groups that CMS refers to as "waves":

- Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia are in the first wave.
- The second wave consists of jurisdictions located in or bordering the Pacific Ocean: Alaska, American Samoa, California, Guam, Hawaii, Northern Mariana Islands and Oregon.

CMS notes Medicare beneficiaries in the rest of the states, Puerto Rico and the U.S. Virgin Islands will receive their new cards "after June 2018." Although the time frame has not yet been determined, all remaining jurisdictions have been placed in one of five additional waves. For details, see the CMS announcement attached.

For a visual summary of the SSNRI, see Segal's infographic also attached, "Removal of Social Security Numbers from Medicare Beneficiary Cards on the Horizon": Change Will Have Implications for Group Health Plans.

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CMS Announce-
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New Medicare Card Mailing Strategy

The Centers for Medicare & Medicaid Services (CMS) is required to remove Social Security Numbers (SSNs) from all Medicare cards by April 2019. A new, unique Medicare Number will replace the SSN-based Health Insurance Claim Number (HICN) on each new Medicare card. Starting April 2018, CMS will begin mailing new Medicare cards to all people with Medicare on a flow basis by geographic location and other factors.

These mailings will follow the sequence outlined below. Additional details on timing will be available as the mailings progress. Starting in April 2018, people with Medicare will be able to check the status of card mailings in their area on Medicare.gov.

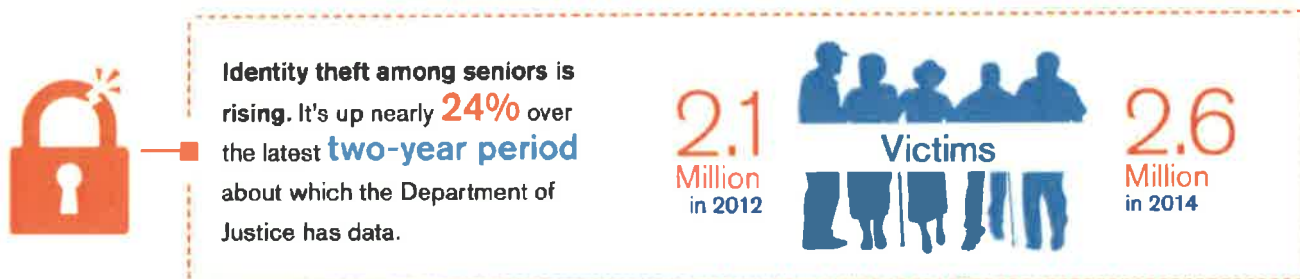
New Medicare Card Mailing Waves

Wave	States Included	Cards Mailing
1	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia	April – June 2018
2	Alaska, American Samoa, California, Guam, Hawaii, Northern Mariana Islands, Oregon	April – June 2018
3	Arkansas, Illinois, Indiana, Iowa, Kansas, Minnesota, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin	After June 2018
4	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont	After June 2018
5	Alabama, Florida, Georgia, North Carolina, South Carolina	After June 2018
6	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Texas, Utah, Washington, Wyoming	After June 2018
7	Kentucky, Louisiana, Michigan, Mississippi, Missouri, Ohio, Puerto Rico, Tennessee, Virgin Islands	After June 2018

Removal of Social Security Numbers from Medicare Beneficiary Cards on the Horizon

Change Will Have Implications for Group Health Plans

To help protect the nearly 58 million Medicare beneficiaries from identity theft associated with illegal use of Social Security numbers, the Centers for Medicare & Medicaid Services (CMS) is gearing up to issue Medicare cards with new identification numbers.



How will the numbers change on beneficiaries' cards?

Sample of the Current Health Insurance Claim Number (HICN)

123-45-6789-A1

begins with beneficiary's Social Security number



Sample of the New Format, a Medicare Beneficiary Identifier (MBI)

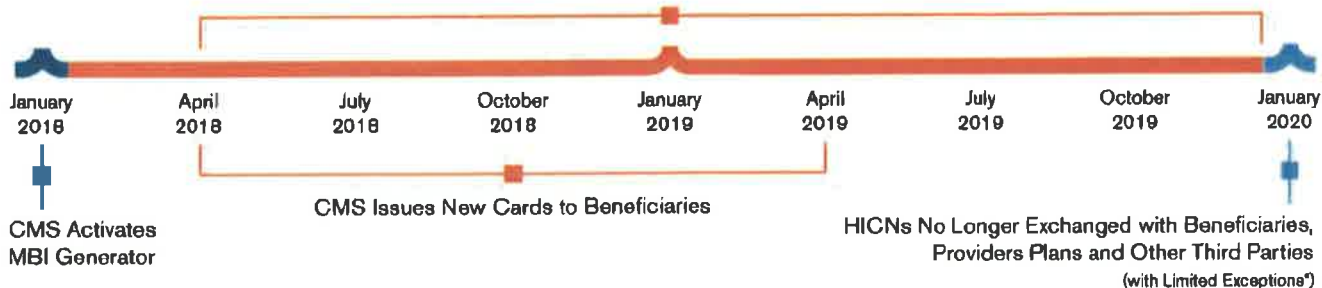
1EG4-TE5-MK73

random uppercase letters and numbers

When will the numbers change?

CMS will begin mailing new cards in April 2018 and will finish in April 2019. There will be a 21-month transition period when providers and sponsors of group health plans can use either the HICN or the MBI.

April 2018–December 2019 Transition Period CMS Will Accept/Process both HICN and MBI Transactions



* Plan sponsors may continue to use SSNs for purposes of claiming the Retiree Drug Subsidy, although they should use MBIs when they are available.

For more information about the Social Security Number Removal Initiative and its implications for group health plans see Segal Consulting's August 2, 2017 [Update](#).