



## CALCULATING GROUP SIZE

Information on how to determine true group size  
per the Center for Medicare and Medicaid Services definition.

Because the Centers for Medicare and Medicaid Services (CMS) differentiates payer status according to number of employees ~ 0-19, 20-100, 100 +, it's important to calculate an accurate number using their guidelines. The following information might help you calculate your specific group size to comply with the Medicare Secondary Payer (MSP) requirements.

**THIS INFORMATION IS NOT LEGAL ADVICE.**

If you have additional questions, please refer to the [CMS Web site](#).

To determine if your company has 20 or more employees for purposes of the MSP statute, answer the following question:

Did your company employ 20 or more people (full-time, part-time or leased) for each working day in 20 or more calendar weeks (not necessarily consecutive) in the current or the preceding calendar year?

If you answer "yes," here some tips for calculating your true group size. CMS considers an employer as having 20 or more employees if the employer has 20 or more full, part-time or leased employees on the payroll for each working day within 20 or more weeks in the current or the preceding calendar year. Group size is not the number of covered lives under a group health plan. Employer size, not group enrollment, determines your MSP status.

***EXAMPLE:** The ABC Corporation has 50 employees on its payroll every week. This consists of a staff of 10 full time employees who come in on Monday, Tuesday, and Wednesday and 40 part-time employees who only come in on Thursday and Friday. Due to the number of employees physically on the job for that calendar workweek, the ABC Corporation meets the 20 or more threshold.*

If you have an average of 20 employees through the year, because of seasonal work for example, and cannot determine your precise group size for MSP purposes, consult your legal counsel for assistance. As an employer, you must include in your calculation the following classes of employees—even if they are not part of the group health plan:

- Full-time
- Part-time
- On disability and subject to FICA taxes
- Leased employees if they are counted as employees under Internal Revenue Code § 414 (n)



**What if I employ less than 20 employees as defined by the MSP laws?**

Blue Cross of Idaho requests employers with less than 20 employees report their accurate group size to us for record-keeping purposes, and to ensure that we coordinate their benefits properly. Once we have the information, please keep us informed if your group size grows to more than 20 employees.

**What if my company grows to “20 or more employees” as defined by MSP law?**

It is your responsibility to notify Blue Cross of Idaho of any changes that occur throughout the year that may impact the coordination of benefits. Report changes in your group size immediately to a representative at your local district office at 800-365-2345.

If an employer meets the 20 or more employees requirement in the current year or in the preceding calendar year, the group health plan GHP is the primary payer. An employer that meets this requirement must provide primary coverage even if less than 20 employees participate in the GHP.

**The 100 or More Employees Requirement**

CMS considers an employer as having 100 or more full-time and/or part-time employees on 50 percent or more of its business days during the previous calendar year. Employers meet this condition if the total number of individuals on the employer’s roll adds up to at least 100 regardless of the number of employees who work or should report for work on a specific day.

However, do not count self-employed individuals who participate in a GHP as employees to determine if you meet the 100-or-more employee requirement. If an employer does not meet the 100-or-more employee requirement in a particular year, the employer may offer employees coverage that is secondary to Medicare during the following year. If the employer meets the 100-or-more employee requirement at any time during the current year, the employer is required to provide employees with coverage that is primary to Medicare during the following year.

If you determine your group size is more than 100, Medicare is the secondary payer for people under age 65 who have Medicare because of disability but are also covered under a GHP based on the individual’s (or a family member’s) current employment status.

**Once again, if you have questions or trouble, please refer to the [CMS Web site](#) or consult your legal counsel for assistance calculating your true group size.**