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.

Identity theft among seniors is rising. It's up nearly 24% over the latest two-year period about which the Department of Justice has data.

2.1 Million in 2012
2.6 Million in 2014

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

HICNs No Longer Exchanged with Beneficiaries, Providers Plans and Other Third Parties (with Limited Exceptions*)

* 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.