

RISK MANAGEMENT NEWS

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North Carolina Association of County Commissioners - Risk Management Pools
215 N. Dawson Street, Raleigh, NC 27603 (919) 719-1100 www.ncacc.org customerservice@ncacc.org

Section 111 Mandatory Medicare Secondary Payer Reporting

Section 111 of the Medicare Medicaid and SCHIP Extension Act of 2007 was adopted by Congress to assist the Secretary of Health and Human Services in collecting information for pre-payment as well as post-payment coordination of benefits purposes.

The law requires liability insurers, self-insurers, no-fault insurers and workers' compensation insurers to report certain information to the Centers for Medicare and Medicaid Services (CMS) regarding Medicare beneficiaries. Requiring insurers to provide this information to CMS will enable Medicare to stop making payments when another entity, or primary payer, should be required to pay and to more easily recover conditional payments that Medicare has paid in cases involving primary payers. The statutory penalty for failure to comply is \$1,000 per day per claimant.

Who will be your RRE and Reporting Agent?

Many entities are still trying to figure out whether they will actually be considered a Responsible Reporting Entity (RRE) under the Medicare Mandatory Reporting Requirements. Self-insureds with a deductible program are among those trying to make that determination. A Third Party Administrator can never be an RRE but may serve as a reporting agent.

For NCACC Liability and Property and/or Workers' Compensation Pool participants; NCACC is the RRE and Sedgwick will be the Reporting Agent, all information will be reported on your behalf.

Where do I go for more information?

All information and official instructions for Section 111 and its implementation, including data reporting procedures, can be found on Medicare's official web-site:

<http://www.cms.hhs.gov/MandatoryInsRep/>

Lester Nixon, Risk Management Director

Email: lester.nixon@ncacc.org or ph (919) 719-1121

Donna Walker, Risk Services Coordinator

Email: donna.walker@ncacc.org or ph (919) 719-1116

Providing this information to CMS will be done electronically and the burden is on primary payers to comply with the statute and accompanying regulations adopted by CMS. The Responsible Reporting Entity (RRE) will register on a secure website, begin a testing period provided by CMS and then report on a frequency established by the agency.

Schedule for reporting:

RRE must register between May 1 - June 30, 2009

Testing period is between July 1 - Dec. 31, 2009

Reporting Production begins Jan. 1, 2010

For Self-insureds the RRE may change depending on financial obligations and claims thresholds. Look for the entity with the financial responsibility of directing the payment of funds to the claimant; this is likely the RRE for reporting & compliance purposes of Section 111.

Once your RRE and Agent have been identified; what does this mean to your daily operation? Read article below regarding required changes to completing incident reports.

What information needs to be collected?

The key to determining if Section 111 reporting is needed for a particular claim hinges on the status of Medicare eligibility or future eligibility of the claimant. Therefore, the only way to verify if a claimant is entitled to Medicare is to obtain the claimants' social security number, full name, date of birth, and gender. All organizations should review their incident report forms to be sure this information is collected.

Section 111 requires quarterly reporting for all open or settled claims after July 1, 2009 for all Medicare Beneficiaries. Therefore, continuous

When are reports filed?

Reporting will begin on January 1, 2010 and must be made quarterly throughout the duration of Liability and Property or Workers' Compensation claims involving Medicare Beneficiaries or anyone who becomes a beneficiary for all claims and settlements dating back to July 1, 2009.

Once payment has been made to a Medicare beneficiary an initial report must be filed and quarterly reports must follow, even if nothing has changed, throughout the duration of the claim. Once a claim is completely settled a final report must be transmitted.

NC Association of County Commissioners Risk Management Pools is a member-driven organization empowering NC counties to effectively manage risks.

We can be reached at the following:
215 N. Dawson Street
Raleigh, NC 27603
Phone: (919) 719-1100
Fax: (919) 719-1101
www.ncacc.org/rmp.htm



Property and Liability claimants will need to provide much more information than they had in the past. Full name, Date of Birth, and SSN will be required to determine Medicare Entitlement.

review of the claimants' Medicare status is needed throughout the claim process to verify if the claimant recently became eligible. Example: 62 yr old male citizen falls at the courthouse and suffers a back injury. Claim remains open for 4 years prior to its being settled. Claimant was not a Medicare beneficiary when incident occurred but became eligible when he turned 65; quarterly reporting needed to be started upon claimants' Medicare entitlement.

Upcoming Events:

April 29, 2009 - NCACC County Assembly Day and Legislative Reception - Quorum Center & NC History Museum, Raleigh

Attention Risk Managers:

May 12-15, 2009 - The 79th Annual North Carolina Statewide Safety Conference is being held at the Koury Convention Center in Greensboro. Registration is free - for more information about the conference:
<http://www.ic.nc.gov/ncic/pages/09ncssc.htm>

May 15-20, 2009 - NC Public Transportation Association Annual Conference and Rodeo, Wilmington, NC

August 27-30, 2009 - NCACC Annual Conference, Catawba County, NC

September 13-16, 2009 - NC PRIMA Annual Conference - Wrightsville Beach, NC