

Emerging Transition Issues for Beneficiaries: Medicare Secondary Payer Compliance

National Academy of Social Insurance

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Soon to be on Medicare

- 50 year old.
- Injured resulting from medical malpractice.
- Recently awarded Social Security disability benefits.
- Will be Medicare beneficiary shortly.
- Settles case for \$1 million.
- Must take Medicare's interests into account.

Already on Medicare

- 65 year old.
- Medicare beneficiary.
- Injured in work accident.
- Settles workers compensation case for \$25,000.
- Must take Medicare's interests into account.

Small/Large Settlements

- 80 year old.
- Medicare beneficiary.
- Injured in auto accident.
- Settles personal injury claim for \$250,000.
- Must take Medicare's interests into account.

Medicare Secondary Payer Act

**Primary Payer Always
Responsible**

Medicare is Secondary Payer

**Must Always Take Medicare's
Interests Into Account**

Taking Medicare's Interests Into Account

Mandatory Insurer Reporting

Conditional Payment Resolution

**Medicare Set Asides Allocations,
Approvals, and Administration**

Mandatory Insurer Reporting



The Medicare, Medicaid, and SCHIP Extension Act of 2007

Self-Insured, No-fault, Work Comp, Liability

Determine eligibility for Medicare

Submit information to COB

\$1,000 per day per file penalty

Mandatory Insurer Reporting Implementation Time Line

Starting 01/01/11

**Work Comp RREs report ORM & TPOC
settlements, awards, judgments**

Starting 01/01/12

**Liability RREs report ORM & TPOC
settlements, awards, judgments**

Mandatory Insurer Reporting Implementation Thresholds

**TPOC after 10/1/12 more than \$5,000
are reportable beginning 1/1/13**

**TPOC after 10/1/13 more than \$2,000
are reportable beginning 1/1/14**

**TPOC after 10/1/14 more than \$300
are reportable beginning 1/1/15**

ORM payment for medicals over \$750

Conditional Payment Resolution



Conditional Payment Resolution

Lien from DOA to DOS

Primary Payer Responsibility

CP Requests/Final Demand

Conditional Payment Process

Conditional Payment Letter

Conditional Payment Negotiation

Final Demand

Payment

Medicare Set Asides



Medicare Set Asides

Current Medicare Beneficiaries

Eligible Within 30 Months of DOS

No Reasonable Anticipation

MSA Process

Allocation

Approval

Administration

G&L Services

- www.gouldandlamb.com
 - Mandatory Insurer Compliance Services
 - Conditional Payment Resolution Services
 - Medicare Set Aside Allocation Services
 - Future Medical Costs Projection Services
 - Post Settlement Account Administration
 - Life Care Planning Services
 - Medical Case Management Services
 - Prescription Drug Services

G&L Tools

- www.gouldandlamb.com
 - GL-Medicare Risk Assessment
 - GL-Search
 - GL-Code
 - GL-Professional Administration Quote
 - GL-Resources & Forms
 - GL-Industry News Bulletin
 - www.themedicarecomplianceblog.com

Thank You!

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