Emerging Transition Issues for Beneficiaries: Medicare Secondary Payer Compliance

National Academy of Social Insurance
National Press Club
Washington, DC
January 29, 2013
Soon to be on Medicare

- 50 year old.
- Injured resulting from medical malpractice.
- Recently awarded Social Security disability benefits.
- Will be Medicare beneficiary shortly.
- Setsles 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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