

MEDICARE LIEN/REIMBURSEMENT SUMMARY

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Prepared by Table 3
Webster-Batchelder AIC

Some things to consider regarding reimbursement to Medicare (CMS - Centers for Medicare and Medicaid Services) when settlement is likely or imminent with regard to an injury case or case where medical expenses were paid by Medicare or might be paid by Medicare in the near future related to the injuries: You can expect these events to occur somewhat chronologically.

You must take care to include these steps in your process:

- ❖ **Identification - Who is Eligible(see below for who qualifies)** You must identify whether the injured party is a Medicare eligible person (or will be within the next 30 months) If your party is or will be 62.5 years old at the time of settlement you must comply with the requirements of CMS. (62.5 relates to the fact that there may be future medical payments made on behalf of the injured party for injuries sustained in the cause of action but the case is already settled)
- ❖ **Notification/Reporting** Notify CMS that there is a possibility of a liability or workers comp recovery. This will trigger CMS to issue you a conditional payment letter.
- ❖ **Determine Lien Amount:** Medicare has an absolute lien on all money recoverable for liability or workers comp claims by an injured party for all payments made on behalf of the beneficiary for medical treatment related to the injury in the cause of action. You must factor in these payments when considering settlement.
- ❖ **Conditional Payment Letter from Medicare:** The conditional payment letter will come to you within 65 days of your notice to CMS of the likelihood of settlement. It will estimate the amount of money Medicare paid on behalf of the injured party to medical

providers and it will contain a spread sheet of treatment dates and ICD codes, which will give you ballpark of the amount necessary to recover from the liable party to reimburse to Medicare. If you represent the injured party you must review this with them to determine whether all the payments made were for treatment related to the cause of action. If you find treatment items that are unrelated you must dispute these items to CMS.

- ❖ **Conditional Payment Notice:** Medicare will send you a Conditional Payment Notice if they are informed that you have already settled the case, this is essentially the same as the Conditional Payment Letter. *** CPN: After the CPN has been issued, the BCRC will allow up to 30 days for a response.

A response to the CPN should include:

- All proof of representation documentation, if not already submitted.
- Proof of any items and/or services that are NOT related to your case, if applicable.
- All settlement documentation if you are providing proof of any items and/or services not related to your case.
- Procurement costs and fees paid by the beneficiary, if not already submitted.
- Documentation for any additional or pending settlements, judgments, awards, or other payments related to the same incident.

- ❖ **Final Settlement Detail Document:**

You must complete the final settlement detail document and return it to CMS: (See attached sample)

- ❖ **Final Conditional Payment Amount/Final Demand Letter:**

CMS should send you a final demand letter after they receive the final settlement detail document at which time you will have 60 days to reimburse Medicare.

- ❖ **Reimbursement:** Reimburse Medicare Medicare must be reimbursed within **60 days** of receipt of payment by Medicare beneficiary. If a liability insurance settlement is made and Medicare is not reimbursed, the third party payer must reimburse Medicare *even if it has already paid the beneficiary!*

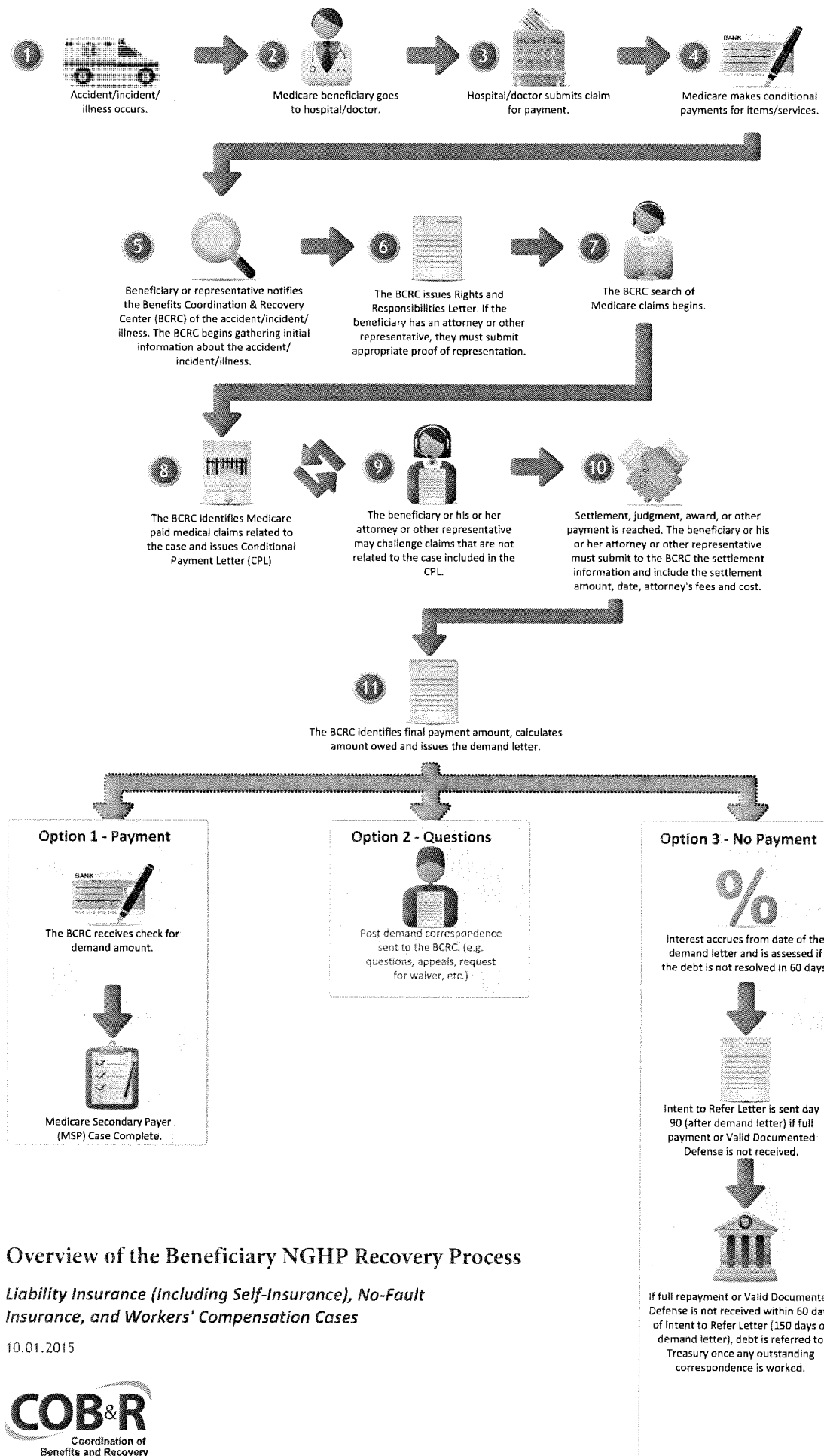
Applies regardless of how amounts are designated in settlement (i.e. pain & suffering).

You qualify for full Medicare benefits under age 65 if:

- You have been entitled to Social Security disability benefits for at least 24 months (which need not be consecutive); or
- You receive a disability pension from the Railroad Retirement Board and meet certain conditions; or
- You have Lou Gehrig's disease (amyotrophic lateral sclerosis), which qualifies you immediately; or
- You have permanent kidney failure requiring regular dialysis or a kidney transplant — and you or your spouse has paid Social Security taxes for a certain length of time, depending on your age.

You qualify for full Medicare benefits at age 65 or older if:

- You are a U.S. citizen or a permanent legal resident who has lived in the United States for at least five years; **and**
- You or your spouse has worked long enough to be eligible for Social Security or railroad retirement benefits — usually having earned 40 credits from about 10 years of work — even if you are not yet receiving these benefits; or
- You or your spouse is a government employee or retiree who has not paid into Social Security but has paid Medicare payroll taxes while working.



Overview of the Beneficiary NGHP Recovery Process

Liability Insurance (Including Self-Insurance), No-Fault Insurance, and Workers' Compensation Cases

10.01.2015





[Print Date]

Insert name

Insert address 1

Insert address 2

Insert city, state, zip code

SUBJECT: Medicare Secondary Payer Rights and Responsibilities Letter for:
Beneficiary Name:
Medicare Number:
Case Identification Number:
Insurer Claim Number:
Insurer Policy Number:
Date of Incident:

Dear [Addressee Name]

You are receiving this letter because we were notified that you filed a liability insurance (including self-insurance), no-fault insurance, or workers' compensation claim. This is confirmation that a Medicare Secondary Payer (MSP) recovery case has been established in our system.

If we know that you have a lawyer or other person representing you, we have sent him or her a courtesy copy of this letter and you will see him or her listed as a "cc" at the end of this letter.

This letter gives you information on the following:

1. What happens when you have Medicare and file an insurance or workers' compensation claim;
2. What information we need from you;
3. What information you can expect from us and when;
4. How and when you are able to elect a simple, fixed percentage option for repayment; and,
5. How to contact us.

What Happens When You Have Medicare and You file a Liability Insurance (including Self-Insurance), No-Fault Insurance, or Workers' Compensation Claim

Applicable Medicare law says that liability insurance (including self-insurance), no-fault insurance, and workers' compensation must pay for medical items and services before Medicare pays. This law can be found at 42 U.S.C. Section 1395y(b)(2)(A) and (B).

However, Medicare makes "conditional payments" while your insurance or workers' compensation claim is being processed to make sure you get the medical services you need when you need them. If you get a(n) insurance or workers' compensation settlement, judgment, award, or other payment, Medicare is entitled to be repaid for the items and services it paid for conditionally.

If you receive a settlement, judgment, award, or other payment related to this claim and Medicare determines that it has made conditional payments that must be repaid, you will get a demand letter. The demand letter explains how Medicare calculated the amount it needs to be repaid and it also explains your appeal and waiver rights. *If you decide to appeal or request a waiver of recovery, Medicare will not take any collection action while your appeal or waiver of recovery request is being processed.*

What Information We Need From You

- ***Do you have a lawyer or other person representing you?***

Medicare works to protect your privacy. We are not allowed to communicate with anyone other than you about your MSP case unless you tell us to do so. If you have a lawyer or other person representing you, please see the enclosed brochure. It explains what type of information we need from you in order to work directly with your lawyer or representative.

- ***Is the information we have on your claim correct?***

If the information at the top of this letter is incorrect or if you filed a no-fault insurance or workers' compensation claim and do not see the insurer/carrier listed as a "cc" at the end of this letter, please contact the Benefits Coordination & Recovery Center (BCRC) immediately at 1-855-798-2627 (TTY/TDD for the hearing or speech impaired: 1-855-797-2627)..

- ***Has your insurance or workers' compensation claim already been resolved?***

If you already got a settlement, judgment, award, or other payment, we need the following information:

- The date and total amount of your settlement, judgment, award, or other payment.
- A list of the attorney fees and other costs that you had to pay in order to get your settlement, judgment, award, or other payment.

If your insurance or workers' compensation claim was dismissed or otherwise closed, we need documentation of that so that we are able to close your MSP case.

What Information Can You Expect From Us and When

- ***Medicare's Conditional Payment Amount***

Our system will automatically send you a Conditional Payment Letter within 65 days of the date on this letter. It includes a Payment Summary Form, which lists medical items and services Medicare has paid for that we believe are related to your claim. Keep in mind that this list is not final or complete until your insurance or workers' compensation claim is resolved.

If you would like the most up-to-date claims information, please visit www.MyMedicare.gov. Once your letter is issued, you will be able to access conditional payment amount information through the MyMSP tab, as well as current claims information using the MyMedicare.gov "blue button."

How to Elect a Simple, Fixed Percentage Option For Repayment If You Have Experienced a Physical Trauma-Based Injury

If you experienced a physical trauma-based injury and you get a liability insurance settlement, judgment, award, or other payment of \$5,000 or less, Medicare offers the option to pay 25% of your gross settlement, judgment, award, or other payment, instead of the amount that Medicare would otherwise calculate.

If you wish to choose this option, you must formally elect it at the same time that you send us information on your settlement, judgment, award, or other payment. Please visit the Beneficiary or Attorney Toolkit sections of the BCRC website (<http://go.cms.gov/cobro>) for all of the additional details. You will find model language that can be used to elect this option, as well as a special mailing address to ensure efficient processing.

How You Can Contact Us

Please mail any documents to: [BCRC Fixed Percentage Option, P.O. Box 138880, Oklahoma City, OK 73113 or fax documents to: [BCRC 405-869-3309.

For more information, please visit <http://go.cms.gov/cobro> or call 1-855-798-2627 (TTY/TDD for the hearing or speech impaired: 1-855-797-2627).

Sincerely,
BCRC

Enclosure:
BCRC Brochure

CC:



[Print Date]

Insert name

Insert address 1

Insert address 2

Insert city, state, zip code

SUBJECT: Medicare Secondary Payer Rights and Responsibilities Letter for:

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Medicare Number:

Case Identification Number:

Insurer Claim Number:

Insurer Policy Number:

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Sincerely,
BCRC

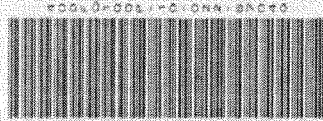
Enclosure:
BCRC Brochure

CC:



Learn about your letter at www.msprc.info

PLEASE REFRAIN FROM MAKING PAYMENT AT THIS TIME

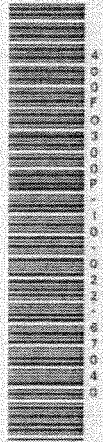


RE: Name of Beneficiary:
HIC#: _____
Date of Injury/Illness/Incident: _____

Dear _____

Please note that, if we know that you have an attorney or other individual representing you in this matter, we are sending him/her a copy of this letter. If you have an attorney or other representative for this matter and his/her name is not shown as a "cc" at the end of this letter (indicating that he/she is receiving a copy), please contact us immediately. If you have any questions regarding this letter and are represented by an attorney or other person in this matter, you may wish to talk to your representative before contacting us.

This letter follows a previous letter notifying you/your attorney of Medicare's priority right of recovery as defined under the Medicare Secondary Payer provisions. Because you were involved in an automobile, slip and fall, medical malpractice, or some other type of liability claim, the medical expenses are subject to reimbursement to Medicare from proceeds received pursuant to a third party liability settlement, award, judgment, or recovery.



Payment Summary Form

REPORT NUMBER:
CONTRACTOR:

BENEFICIARY NAME:
BENEFICIARY HICN:

DATE:

CASE ID:
CASE TYPE:
DATE OF INCIDENT:

TOS	ICN	LINE	PROCESSING CONTRACTOR	PROVIDER NAME	DIAGNOSIS CODE	FROM DATE	TO DATE	TOTAL CHARGES	REIMBURSED AMOUNT	CONDITIONAL PAYMENT
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SUM OF TOTAL CHARGES:
TOTAL CONDITIONAL PAYMENT:



MSPRC



CENTERS FOR MEDICARE & MEDICAID SERVICES

Learn about your letter at www.msprc.info

insert date

insert name

insert address 1

insert address 2

insert city, state, zip code

Conditional Payment Notice (CPN)

Beneficiary:
Medicare Number:
Date of Incident:
Case Identification Number:
Response Due Date:

THIS IS NOT A BILL. DO NOT SEND PAYMENT AT THIS TIME.

Dear _____:

If we know you have an attorney or other individual representing you in this matter, we are sending him/her a copy of this letter. If you have an attorney or other representative for this matter and his/her name is not shown as a "cc" at the end of this letter (indicating that he/she is receiving a copy), please contact us immediately. If you have any questions regarding this letter and are represented by an attorney or other individual in this matter, you may wish to talk to your representative before contacting us.

The Centers for Medicare & Medicaid Services (CMS) has been notified that you have received a settlement, judgment, award or other payment related to your case with the above referenced date of incident. (Usually this notification is from the insurer, workers' compensation entity, if applicable, or a beneficiary's attorney or representative.)

If the settlement, judgment, award or other payment has not been distributed to you or your attorney/representative to date, please alert the MSPRC immediately.

To date, the Medicare Secondary Payer Recovery Contractor (MSPRC) has determined that Medicare has paid *at least* [Conditional Payment Amount] in conditional payments related to your case. The total conditional payments may increase if Medicare paid for additional items and/or services related to your case. This notice is being issued to you to ensure that we have all the correct information to determine the amount Medicare may recover.

What does Medicare need from you?

Conditional Payment Notification (CPN)



Final Settlement Detail Document

Beneficiary Name:
Medicare Number:
Date of Incident:

When a beneficiary receives a settlement, judgment, award, or other payment, Medicare is entitled to recover associated payments made by the Medicare program. If certain conditions are met, Medicare reduces its conditional payment to take into account a proportionate share of the costs incurred in resolving the beneficiary's claim. **See 42 C.F.R. 411.37.** In general, the recovery demand must be against the individual or entity that received payment, the costs must have been incurred because the matter was disputed, and the costs must be paid by the individual or entity against whom/which Medicare seeks recovery. There is no proportionate reduction if payment is not in dispute – for example a payment for no-fault insurance.

In order for Medicare to properly calculate the net refund it is due, please supply the information outlined below. This information will also be used to update the beneficiary's records to show resolution of this matter. If you have a representative, this information should be submitted by your representative on his/her letterhead.

Total Amount of the Settlement: _____

Total Amount of Med-Pay or PIP: _____

Attorney Fee Amount Paid by the Beneficiary: _____

Additional Procurement Expenses Paid by the Beneficiary: _____

(Please submit an itemized listing of these expenses)

Date the Case Was Settled: _____ / _____ / _____

This information should be submitted **along with a copy of this notice** to:

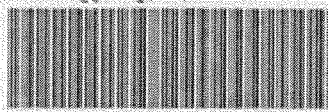
Benefits Coordination & Recovery Center
NGHP
Post Office Box 138832
Oklahoma City, OK 73113

If you have any questions concerning this matter, please call the Benefits Coordination & Recovery Center (BCRC) at 1-855-798-2627 (TTY/TDD: 1-855-797-2627 for the hearing and speech impaired) or you may contact us in writing at the address above. If you contact us in writing, please be sure to include the beneficiary's name and his/her Medicare health insurance claim number.



CENTERS for MEDICARE & MEDICAID SERVICES

Learn about your letter at www.msprc.info



Beneficiary:
Medicare Number:
Date of Incident:

Dear :

We have received check number in the amount of .

This amount has been applied to the outstanding debt due Medicare. The principal amount of the debt and interest (if applicable) has been reduced to zero and our file is being closed.

If a refund is due it will be processed and forwarded to the appropriate party under separate cover. If the original check submitted to Medicare had multiple payees it will be the attorney and/or beneficiary's responsibility to disburse the funds to all other payees.