

MARKET BULLETIN

REF: Y4481

Title	U.S. Medicare reporting and registration requirements
Purpose	To remind the Lloyd's market of the final deadline for submitting data to the Lloyd's vendor for Q1 2011 Medicare reporting and to set out the key dates and deadlines for preparing and submitting data for Q2 2011.
Type	Event
From	Rosemary Beaver, Head of International Regulatory Affairs
Date	1 April 2011
Deadline	Ongoing responsibility
Related links	Lloyd's market bulletin Y4375, 5 March 2010 Lloyd's market bulletin Y4410, 8 July 2010 Lloyd's market bulletin Y4419, 1 September 2010 Lloyd's market bulletin Y4423, 6 October 2010 Lloyd's market bulletin Y4434, 19 November 2010 Lloyd's market bulletin Y4455, 20 December 2010 Link to key regulatory projects section of lloyds.com - Medicare

Purpose

To remind the Lloyd's market of the final deadline (13 April, 2011) for submitting data to the Lloyd's vendor for Q1 2011 Medicare reporting and to set out the key dates and deadlines for preparing and submitting data for Q2 2011. The timeline attached at Appendix A also reflects market briefings planned for Q2 2011 which will include discussion on the key issues and questions emerging from the implementation phase of this project.

Background

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) concerns mandatory reporting requirements which will affect many syndicates writing U.S. risks. It requires all property & casualty insurers (including surplus lines insurers) that pay a liability claim that includes medical expenses, or that releases the insurer from liability for medical expenses to any Medicare beneficiary (or their representative), to report the claim to the Centers for Medicare and Medicaid Services (CMS). Failure to report the resolution of claims can incur fines and penalties, including fines for late notifications up to a maximum of \$1,000 a day per claim. Even if the Lloyd's Responsible Reporting Entity (RRE)

delegates the actual reporting the RRE remains in the first instance liable for failure to report, late reporting, or reporting of inaccurate information.

Current Position

All relevant managing agents have now registered their RREs with CMS. Following the registration of their managed syndicates, managing agents should have completed notification to their relevant coverholders and TPAs, drawing on the template communication provided by Lloyd's, that implementation and testing work with the Lloyd's vendor was to be completed during Q1 2011¹ and what role they were being requested to take in supporting managing agents.

Through Q1 2011, Lloyd's, working with the Lloyd's vendor, has monitored the progress made by managing agents in prioritising and completing the implementation of their TPAs and Coverholders onto the Lloyd's vendor's system for Medicare reporting purposes as well as managing agent's own progress on implementation. Guidance and progress reports have been provided to each managing agent on an ongoing basis.

The final deadline for submitting relevant reportable claims information to the Lloyd's vendor in time for the Q1 2011 deadline for reporting to CMS is 13 April, 2011.

Those claims representing relevant and reportable claims have previously been identified in prior market bulletins. Managing agents should continue to progress to full implementation as quickly as possible over Q2 2011 and take every advantage of the Lloyd's vendor's services in order to maximise their response to the Medicare legislation.

The Lloyd's vendor has contacted managing agents' primary Medicare contacts, as well as contacts for TPAs and coverholders to provide additional guidance, support and direction over Q1 2011 and remains fully ready to support managing agents with their implementation strategy.

Managing agents are reminded that they can contact the Lloyd's vendor directly at LLOYDS-MIR@GouldandLamb.com to make all arrangements surrounding their implementation and understand reporting progress for their RRE IDs. The Lloyd's vendor provides full access to Medicare reporting services and additional research and negotiatory services that specifically support the needs of managing agents.

Lloyd's ongoing support

Lloyd's goal, guided by recommendations made by the Lloyd's market, has been to ensure that the market is provided with an appropriate registration and reporting framework, recognising Lloyd's subscription market, and agreed with CMS. The Lloyd's market retained the services of a specialist Medicare vendor providing access to a range of Medicare reporting, research and negotiation services working within a lead-only reporting framework agreed with CMS to achieve this goal.

¹ Lloyd's market bulletin Y4455, dated 20 December, 2010

Lloyd's has worked closely with the Lloyd's market at each stage of the Medicare project. This consultation will continue as Lloyd's, in conjunction with the Medicare Claims Working Group and Medicare Implementation Sub-Group, continues to review the key issues and questions emerging from the implementation pilot phase of this project undertaken during Q1 2011 and to determine the next steps and key milestones through Q2 2011 (see "Market Briefings" below).

Through Q1 2011, Lloyd's has ensured that managing agent's primary Medicare contacts have received detailed information concerning their implementation progress. Managing agents have been able to supplement this information by accessing the "claims status rollup" reports available to Lloyd's RRE's from the Lloyd's vendor's File Transfer System.

The roll-up reports allow RREs to monitor claims submissions to Gould and Lamb made by any entity reporting on an RRE's behalf. Importantly, during Q2 2011 this information will be further supplemented by the results of the Q1 2011 production data submission (due to be completed 15 April, 2011) to CMS. This will provide key information concerning the completeness and quality of data submitted to date.

Collection of data for reporting purposes and managing claims disposition

Managing agents are reminded of the necessity to capture data early and respond appropriately to any MSP responsibilities.

In previous market bulletins, managing agents and brokers were reminded that they should be taking action to ensure the gathering of data on claims that are potentially impacted by the MMSEA legislation. The first deadline² for commencing reporting of that data has reinforced the need to capture data for eligibility testing and validation as early as possible in the claims management process.

It is strongly recommended that managing agents, working with their TPAs and coverholders, capture and submit data covering **all types** of Medicare reportable business as early as possible. This approach will maximise the value of services provided by the Lloyd's vendor and allow the early identification of claims with Medicare exposure.

The claims disposition process should consider any obligations that might exist both under the Medicare Secondary Payer Act and any reporting obligations under the MMSEA.

Under MMSEA, during Q1 2012, insurers will be required to report any liability TPOC claim, where there is Medicare exposure, which settles from 1st October, 2011. In the intervening period before then the Lloyd's market should maximise the opportunity to implement the reporting solution and to manage any Medicare Secondary Payer (MSP) exposure by utilising the eligibility testing facility, research, negotiating and reporting services provided by the Lloyd's vendor at the earliest possible stage in respect of all claims subject to the MMSEA requirements.

² Lloyd's market bulletin Y4434, dated 19 November 2010

During Q1 2011, Insurers are required to report any relevant no-fault TPOC claim, where there is Medicare exposure, which has settled since 1 October 2010 and any relevant ORM claim settlement after 1 January 2010 (as reported in prior market bulletins). Relevant Lloyd's claims are required to be reported to Gould and Lamb by 13 April 2011 for onwards reporting to CMS on 15 April 2011.

Milestones - Implementation of reporting solution

All Managing agents should maximize the opportunity in Q2 2011 to accelerate remaining implementation across all entities reporting on their behalf. It is important to be reminded again that implementation gives access to early eligibility testing. Additionally, it is envisaged that during Q3/Q4 2011 significant industry level demand will be placed on TPAs/Coverholders from clients to ensure they are ready for Q1 2012 reporting obligations. Early adoption of implementation will smooth the impact on TPAs and Coverholders and protect managing agents' interests.

Lloyd's are currently working with the Lloyd's vendor to identify key performance milestones surrounding implementation over Q2 2011 and will continue to share with individual managing agents their progress on implementation over Q2 2011. These milestones will be shared with managing agents at the market briefing on 13 April 2011.

Market Briefings

At this stage, three market briefings will occur during Q2 2011 to assist managing agents with ongoing implementation and response. These will also include a review of the implementation progress through Q1 2011, the key issues and questions emerging and look beyond the reporting challenge to consider how the Lloyd's market integrates MSP conditional payment review into their claims management process.

Attendance at these briefings is recommended, as greater detail and understanding can be provided than is possible in this market bulletin. Full details of these Market briefings will be forthcoming in advance but dates are:

13 April, 2011. Review of Implementation Phase of Medicare Project and key issues emerging – 10.00am, Presentation Room 2 & 3, Gallery 11, Lloyd's.

23 May, 2011. Lloyd's vendor, Gould & Lamb, will provide guidance to managing agents to assist review of Q1 2011 filing results from CMS and next steps to address MSP conditional payments – venue, Presentation Rooms, Gallery 11, Lloyd's (afternoon – time to be confirmed)

24 May, 2011. Lloyd's vendor, Gould & Lamb, will answer questions from Lloyd's brokers concerning the Lloyd's market's MMSEA reporting solution and role of TPAs/coverholders – venue, Old Library, Lloyd's (afternoon – time to be confirmed)

Further Contacts

A central point of reference for Medicare communications and guidance is available on lloyds.com and can be found at: [Link to Medicare section of lloyds.com](#) . Additionally, managing agents can access guidance and information from the Gould & Lamb website www.gouldandlamb.com. Managing agents who are unable to access the dedicated area of the Lloyds.com website should contact Lloyd's International Trading Advice (see contact details below):

Lloyd's International Trading Advice:
Tel: 020 7327 6677 or Email: lita@lloyds.com

For questions regarding the implementation phase of the project and the Lloyd's Medicare Implementation Sub-Group, please contact:

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Appendix A

Lloyd's Medicare reporting timeline

The timeline below sets out the key high level dates for the Lloyd's market through to July 2011

LLOYD'S MEDICARE REPORTING TIMELINE

