

# MARKET BULLETIN

REF: Y4526

<b>Title</b>	U.S. Medicare reporting and registration requirements
<b>Purpose</b>	To remind the Lloyd's market of the approaching key dates and deadlines for capturing and submitting data to the Lloyd's vendor for all relevant claims in accordance with Medicare reporting requirements.
<b>Type</b>	Event
<b>From</b>	Rosemary Beaver, Head of International Regulatory Affairs
<b>Date</b>	20 October 2011
<b>Deadline</b>	Ongoing responsibility
<b>Related links</b>	<a href="#">Lloyd's market bulletin Y4375, 5 March 2010</a> <a href="#">Lloyd's market bulletin Y4410, 8 July 2010</a> <a href="#">Lloyd's market bulletin Y4419, 1 September 2010</a> <a href="#">Lloyd's market bulletin Y4423, 6 October 2010</a> <a href="#">Lloyd's market bulletin Y4434, 19 November 2010</a> <a href="#">Lloyd's market bulletin Y4455, 20 December 2010</a> <a href="#">Lloyd's market bulletin Y4481, 1 April 2011</a> <a href="#">Link to key regulatory projects section of lloyds.com - Medicare</a> <a href="#">Link to CMS alert, 30 September 2011</a>

## Purpose

To remind the Lloyd's market of the commencement date, from 1 October, 2011 for capturing relevant liability Total Payment Obligation to Claimant (TPOC) claims. The data is for submission to the Lloyd's vendor in preparation for including liability TPOC claims, where reportable, from the Q1 2012 quarterly submission date (Lloyd's agreed reporting date is **15 January 2012**). These dates are mandatory dates in accordance with guidance issued by the Centers for Medicare and Medicaid Services (CMS).

This bulletin also refers to the recent CMS alert advising their revised thresholds applicable to these reporting deadlines. Appendix A summarises the scope and current thresholds for reportable claims (as per previous market bulletins – see related links) where a claim has been settled involving a Medicare beneficiary. Lloyd's strongly recommends 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.

## 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 managing agents have registered their RREs with CMS and have now either completed implementation requirements, or are nearing completion, working with their relevant coverholders and TPAs to ensure they and their counterparties have access to the Lloyd's vendor's Medicare query and reporting system.

Through 2011, the Lloyd's Medicare Implementation Sub-Group, working with the Lloyd's vendor, has monitored the progress made by managing agents towards full implementation. Guidance and progress reports have been provided to each managing agent on an ongoing basis.

## Ongoing collection of data for reporting purposes

In Market Bulletin Y4434, dated 19 November, 2010, 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 Medicare Secondary Payer legislation. In accordance with the implementation timeline issued by CMS<sup>1</sup>, claims data for liability TPOC claims should be collected for claims payments made after 1 October 2011. Relevant liability TPOC claims are reportable from Q1 2012 (Lloyd's RREs will be required to report these claims as part of their 15 January 2012 quarterly claims file submitted to CMS by the Lloyd's vendor).

More recently, CMS, in their alert dated 30 September, 2011, have issued a revised implementation timeline for the collection and reporting of relevant claim settlements. This is based on new \$ thresholds relating to TPOC amount settled. See Appendix A. As previously advised, Lloyd's recommends that managing agents, working with their TPAs and coverholders, capture and submit data covering all types of Medicare reportable business as early as possible.

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<sup>1</sup> See CMS User Guide Manual v3.2 dated 17 August, 2011 at <https://www.cms.gov/MandatoryInsRep/Downloads/NGHPUserGuideV3.2.pdf>

Since Q1 2011, RREs have been required to report any relevant no-fault TPOC claim, where there is Medicare exposure, which has settled since 1 October 2010 and any relevant Ongoing Responsibility for Medicals (ORM) claim settlement since 1 January 2010. This ongoing activity remains critical to Lloyd's RREs' ability to provide this data to the Lloyd's vendor for MMSEA compliance purposes. Those claims representing relevant and reportable claims have previously been identified in prior market bulletins.

### **Next Steps**

Appendix A summarises the scope and thresholds for reportable claims based on current CMS guidelines and previous Lloyd's guidance. 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 through 2011 and remains fully ready to support managing agents with any remaining implementation strategy.

Managing agents are reminded that they can contact the Lloyd's vendor directly at [LLOYDS-MIR@GouldandLamb.com](mailto: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.

### **Ongoing Support**

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 review the remaining issues and questions emerging from the implementation phase of this project undertaken through 2011. Throughout this period, 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.

As we approach full implementation, the roll-up reports allow RREs to monitor claims submissions to the Lloyd's vendor made by any entity reporting on an RRE's behalf. Importantly, through 2011 this information has been further supplemented by the results of the Q1 & Q2 2011 production data submissions to CMS. This provides key information concerning the completeness and quality of data submitted to date and indicates where characteristics of the claims reported may require further research for MSP purposes.

To assist managing agents' understanding of how they should use this information for MSP purposes, making adequate consideration of Medicare's interests, Lloyd's will hold a claims handling seminar covering these issues in Q4 2011. Lloyd's will invite the Lloyd's vendor and outside counsel to attend this working session where it is intended to examine some practical scenarios now being encountered by the market as we complete the implementation phase of the Medicare project.

## 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](http://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](mailto:lita@lloyds.com)

For questions regarding Lloyd's guidance on claims management and the Lloyd's Medicare Claims Working Group, please contact:

Phil Godwin  
Senior Claims Manager, Lloyd's Claims  
+44 20 7327 5841 or email [philip.godwin@lloyds.com](mailto:philip.godwin@lloyds.com)

For questions regarding the implementation phase of the project, please contact:

Anne Rannie  
Senior Project Manager, Lloyd's Market Operations  
+44 20 7327 5257 or Email [medicare@lloyds.com](mailto:medicare@lloyds.com)

## Appendix A

### Scope and Thresholds for reportable claims

Lloyd's market bulletin Y4455, dated 20 December 2010, provided a sample of frequently asked questions concerning the Lloyd's market's response to Medicare reporting and registration requirements. A dedicated section of lloyds.com covering Medicare in greater detail can be found at: [link to lloyds.com, key regulatory projects - Medicare.](#)

### In-scope business

This issue is addressed in Lloyd's letter dated 9 September, 2010. Please see the Managing Agents section at [link to lloyds.com, key regulatory projects - Medicare.](#)

### Claims Reporting Thresholds

The following interim reporting thresholds have been established by CMS for Section 111 reporting. The thresholds are interim thresholds while CMS is implementing the Section 111 reporting process. Claims data for liability TPOC claims above the threshold should be collected for claims payments made after 1 October 2011. Relevant liability TPOC claims are reportable from Q1 2012 (Lloyd's RREs will be required to report these claims as part of their 15 January 2012 quarterly claims file submitted to CMS by the Lloyd's vendor). CMS's recent alert (30 September, 2011) introduced additional thresholds for the collection and reporting of liability TPOC claims.

#### No-Fault Insurance ORM and TPOC Amounts

For no-fault insurance, there is **NO** de minimis dollar threshold for reporting the assumption/establishment of ORM or for reporting TPOC. RREs have been required to report no-fault insurance TPOCs with dates of 1 October, 2010 and subsequent. No-fault ORM assumed as of 1 January, 2010 and subsequent must also be reported.

#### Liability Insurance ORM

For liability ORM insurance (including self-insurance), there is **NO** de minimis dollar threshold for reporting the assumption/establishment of ORM. However, thresholds for TPOC amounts apply as outlined below. Liability ORM assumed as of 1 January, 2010 and subsequent must be reported.

Liability Insurance TPOC amounts

CMS's alert dated 30 September, 2011, sets out the following revised timeline for capturing and reporting liability TPOC claims:

<b>TPOC Amount</b>	<b>TPOC Date On or After - claims data to be collected from this date</b>	<b>Section 111 Reporting Required in the Quarter Beginning (Lloyd's reporting date)</b>
TPOCs over \$100,000	1 October, 2011	1 January, 2012 (15 January, 2012)
TPOCs over \$50,000	1 April, 2012	1 July, 2012 (15 July, 2012)
TPOCs over \$25,000	1 July, 2012	1 October, 2012 (15 October, 2012)
All TPOCs over min. threshold (see below)	1 October, 2012	1 January, 2013 (15 January, 2013)

Minimum Thresholds

In accordance with the timeline above (and based upon existing CMS guidelines), from 1 October, 2012 the following thresholds apply:

Claim reports where the last (most recent) TPOC Date is **prior to 1 January, 2013** with TPOC Amounts totaling \$0.00 - **\$5,000.00**, are exempt from reporting.

Claim reports where the last (most recent) TPOC Date is **1 January, 2013 through 31 December, 2013** with TPOC Amounts totaling \$0.00 - **\$2000.00**, are exempt from reporting.

Claim reports where the last (most recent) TPOC Date is **1 January, 2014 through 31 December, 2014**, with TPOC Amounts totaling \$0.00 - **\$600.00** are exempt from reporting.

**No threshold applies to claims where the last (most recent) TPOC Date is 1 January, 2015 and subsequent.**