

MARKET BULLETIN

REF: Y4306

Title	US Medicare reporting and registration requirements
Purpose	To update the Market as to Lloyd's and the Lloyd's Medicare Claims Technical Group's approach to reporting and claims management issues raised by the Medicare legislation
Type	Event
From	Andrew Gurney, Senior Manager, International Regulatory Affairs General Counsel's Division
Date	17 August 2009
Deadlines	30 September 2009 – Registration 1 January 2010 to 31 March 2010 – Test reporting 1 April 2010 – Start of live reporting
Related links	http://www.cms.hhs.gov/MandatoryInsRep http://www.cms.hhs.gov/MandatoryInsRep/Downloads/NGHPUserGuideV2.0.pdf Link to Lloyd's market bulletin Y4277 dated 12 May 2009 Link to Lloyd's market bulletin Y4279 dated 13 May 2009

Purpose

This bulletin is addressed to managing agents, brokers and US Coverholders/TPAs dealing with the business lines impacted by Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA). Please refer to Lloyd's market bulletin Y4277, dated 12 May 2009 and market bulletin Y4279, dated 13 May 2009 for a detailed description of the legislation and the timetable for implementation of the reporting requirements (links can be found above).

Lloyd's continues to work with the market through the LMA and the Lloyd's Medicare Claims Technical Group that has been established in conjunction with the LMA. The purpose of the Lloyd's Medicare Claims Technical Group is to discuss the issues raised by the legislation, to provide feedback and direction, and to help ensure that Lloyd's takes the most appropriate action in the best interests of the market in meeting reporting and claims management requirements of the legislation.

This bulletin summarises activities and progress to date, and a proposed, overarching model for assigning responsibilities for information capture and reporting to meet these requirements. It should be noted that this model is still being reviewed by the Lloyd's Medicare Claims Technical Group and is subject to ongoing discussions with the Centers for Medicare and Medicaid Services (CMS) (see 'Lloyd's communications with CMS' below).

Moreover, it should be stressed that the rules for registration and reporting, and their scope and application, are still subject to industry wide discussion and debate with CMS. CMS recently (4 August 2009), issued revised User Guidance (see 'Related Links' above). Of particular relevance to the Lloyd's market (and non-U.S. insurers generally), is the inclusion of a new section which acknowledges that registration, to date, has not been possible for non-U.S. insurers unable to provide registration information not normally available to insurers with no U.S domicile. The new section asks insurers (such as Lloyd's) to contact the Electronic Data Interchange (EDI) Department at CMS to resolve these types of issues.

Lloyd's is fully engaged with CMS to resolve these matters and explain the particular issues that compliance with these requirements raises for the Lloyd's market.

Summary of key activities

Lloyd's communications with CMS

Following the publication of the first CMS User Guide in March of this year, and in light of the significant number of issues this document raised for Lloyd's and other non-U.S. insurers, it was essential that Lloyd's address these issues with CMS. Working with US Counsel Lloyd's began the process of engagement with CMS by submitting the required letter via the secure CMS web portal. This letter described the Lloyd's market and the unique challenges Section 111 presents the market in complying with its registration and reporting requirements.

The letter facilitated a conference call between the Lloyd's working group and senior CMS officials where Lloyd's could explain in more detail the issues raised and answer questions where required. This call took place in late July 2009. CMS asked for further information to be provided as a follow-up to the issues raised on that call, and a letter was submitted to CMS earlier this month (August 2009).

Subsequently CMS has issued an updated User Guide which recognises (and invites insurers to contact the EDI Department of CMS to resolve) the registration process may be problematic for non-U.S. insurers.

As part of this process, Lloyd's has, after consultation with the Medicare market working group, begun to explore how the Lloyd's market can most effectively complete the CMS registration purpose with three clear goals in mind:

- (1) To ensure that the registration enables reporting data to be captured and provided by the responsible reporting entity (RRE)¹, and their assigned RRE IDs², in a method which best fits the Lloyd's market – i.e. who is most likely to have access to the information required by CMS and who has legal authority to bind the RRE to providing data (see Appendix A).
- (2) To ensure CMS understands how the Lloyd's subscription market works and agrees to develop a reporting model which avoids any duplication of data being provided by multiple syndicates (RREs) subscribing to a risk. Lloyd's preferred approach is to enable the Lloyd's lead syndicate to report (or have the RRE ID report on its behalf) claims covered by the Section 111 reporting requirements.
- (3) To agree to suitable timescales with CMS, for implementing this registration and reporting model, and to allow Lloyd's, working with the Lloyd's market, to centrally coordinate the registration process, protecting individual RRE's user testing rights with CMS, as the reporting model is fully developed.

Lloyd's Market engagement

Lloyd's market bulletin Y4277, dated 12 May 2009, referred to the need to convene a working group to secure market input into how the reporting issues raised by Section 111 will be tackled. This, and the project governance supporting the output of the group, is now in place. Working in conjunction with Lloyd's and the LMA, the Lloyd's Medicare Claims Technical Group and (to provide specific technical support around the issue of claims impact) the Lloyd's Medicare Claims Impact Group will act as an expert market forum to discuss and propose potential recommendations as to how the Lloyd's market will address the Medicare claims reporting requirements for liability insurers.

Next Steps

a) Continued engagement with CMS

Lloyd's, working with U.S. Counsel will, in accordance with CMS's User Guide, issued 4 August 2009, continue to seek to resolve the basic registration issues which continue to prevent non-US domiciled insurers from registering through the CMS portal. Until such time as these issues (which concern the provision of basic registration information requiring U.S. tax identification numbers, state codes, and address fields for zip code and telephone numbers) are resolved, the Lloyd's market is unable to complete the RRE registration.

In light of the generous time frame allowed for United States' insurers to register using the Coordination of Benefits Secure Website ("COBSW"), Lloyd's, which is now fully engaged with CMS to resolve these issues (and seek acceptance of its basic model for registration),

¹ The Responsible Reporting Entity (RRE) is the entity that assumes the obligation to pay claims described in the insurance contract and assumes the financial risk associated with such payments.

² The RRE may choose to have more than one individual identification number associated with that RRE if it will submit multiple response files.

is working with CMS to determine an appropriate extension to the 30 September 2009 deadline for registration to ensure that foreign insurers are given additional time to achieve compliance.

- b) Managing agents to review the registration model and information required for registration (in respect of their managed syndicates) in order to be able to provide this information once CMS has resolved the non-U.S. insurer issues.**

Lloyd's preferred approach, working with CMS, is to centrally coordinate the Lloyd's markets RRE registration once CMS has resolved non-U.S. insurer registration issues and agreed the registration model with Lloyd's. Managing agents and their managed syndicates who may be subject to the Section 111 reporting requirements (see Appendix A) should begin to consider who within their organisation will be identified as the key parties for registration purposes. Lloyd's will issue further detailed guidance covering this process once CMS has fully resolved the basic registration issues referred to at a) above.

- c) Managing agents to ensure their coverholders and third party administrators are aware of the data required for monthly reporting purposes and ready to capture this data.**

Lloyd's, the LMA and the Lloyd's Medicare Claims Technical Group are now moving fully into the next phase of developing the range of data capture, collation and submission options which the Lloyd's market are likely to require to meet Section 111 reporting requirements. These options will need to reflect the various business models which the Lloyd's market utilises for its U.S. business purposes. Lloyd's will continue to validate these reporting options with CMS, but, irrespective of the timescales CMS agrees to for testing and then for implementing these phases, managing agents should ensure that the data that has been determined to be necessary for Section 111 purposes will be collected from 1 January 2010 (see Appendix A).

Further Contacts

For questions regarding RRE registration and monthly reporting, please contact:

Maria McLoughlin
Executive, International Regulatory Affairs
+44 20 7327 5282
maria.mcloughlin@lloyds.com

Steve Yates
Manager, International Regulatory Affairs
+44 20 7327 5351
stephen.yates@lloyds.com

For questions regarding claims management, the Lloyd's Medicare Claims Technical Group and Medicare impact, please contact:

Phil Godwin
Senior Claims Manager, Lloyd's Claims
+44 20 7327 5841
philip.godwin@lloyds.com

General information:

If you have any queries about this market bulletin, please contact:
Lloyd's International Trading Advice:
Tel: 020 7327 6677
Email: lita@lloyds.com

Appendix A

Lloyd's RRE registration model

Since Market Bulletin Y4277 was issued, Lloyd's has done further work in interpreting how the registration process would work for Lloyd's syndicates while satisfying the requirements laid out by the Centers for Medicare and Medicaid Services (CMS).

Following this work, Lloyd's can advise the market of the requirements for registration of syndicates in readiness for Medicare reporting. This proposal has yet to receive endorsement from CMS and should be treated as provisional, but this Market Bulletin aims to start the process of identifying key individuals within syndicates in readiness for gathering the information necessary for registration.

Lloyd's will issue further guidance as to how this process is to be centrally coordinated once the basic registration issues preventing Lloyd's and other non-U.S. insurers from completing all registration fields have been resolved. Lloyd's is fully engaged with CMS in order to resolve these issues and determine an appropriate timescale to complete this process.

Registration Information Requirements (Step 1)

In order to process the Step 1 registration, Lloyd's will need the following information from managing agents in respect of each syndicate with active US liability claims.

Registration process

The RRE registration process with CMS consists of two distinct steps.

Step 1 covers the registration of an individual RRE and the identification of the Authorised Representative (see blue boxes below). Lloyd's will assist in Step 1 of the registration of syndicates to deal with problems of adaptation of CMS requirements for syndicates and to ensure consistency. After Step 1 registration, CMS's Coordination of Benefits Contractor (COBC) will then send a letter to the named Authorised Representative with a personal identification number (PIN) and the COBC-assigned RRE ID associated with the registration. The Authorised Representative must give this PIN and RRE ID to the syndicate's Account Manager.

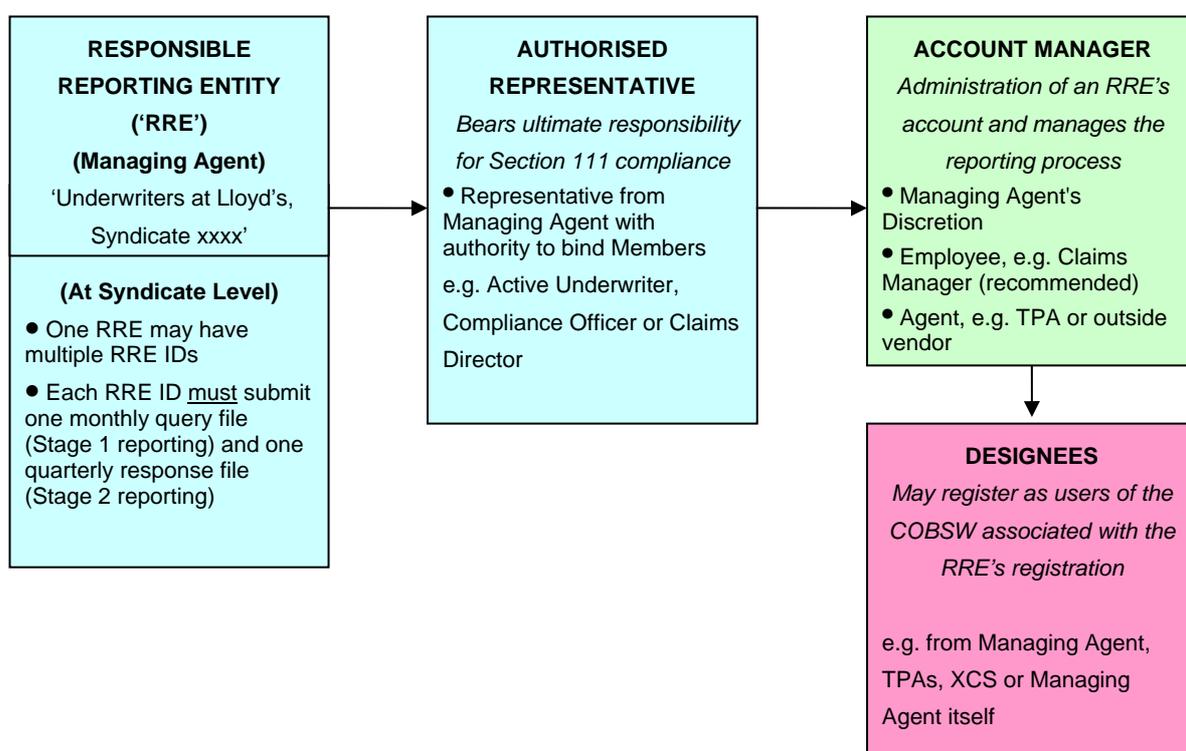
In Step 2 (see green box below), the Account Manager sets up his account via the Coordination of Benefits Secure Website (COBSW) and clicks "Step 2: Account Setup". During the account setup process the Account Manager will create his Login ID and Password.

Each user of the COBSW has only one User ID, regardless of how many syndicates/RRE IDs they are associated with.

How do the registration requirements apply to Lloyd’s?

The way syndicates register should reflect the way in which responsibility for reporting is delegated (see model below).

Lloyd’s Market RRE registration model



Authorised Representative

For registration purposes, each RRE must select an individual to serve as the “Authorised Representative”. This should be an executive or someone in a position of authority who is capable of responding on behalf of the syndicate. It is recommended that this individual be the head of claims or in a similar position for the syndicate. The same individual may serve as the Authorised Representative for more than one reporting syndicate. The Authorised Representative is a person who is not involved in the day-to-day reporting, but rather serves as CMS’s main contact at the RRE.

In summary, the Authorised Representative:

- Cannot be a user of the COBSW.

- Cannot be an agent of the RRE.
- May perform the initial registration on the COBSW, but will not be provided with a Login ID.
- Will designate the Account Manager.
- Must approve the account setup, by physically signing the profile report including the Data Use Agreement, and returning it to the COBC.
- Will be the recipient of COBC notifications related to non-compliance with Section 111 reporting requirements.

Account Manager

Each RRE must select also an individual to serve as the “Account Manager”. This person will be involved in the oversight of the reporting itself to the COBSW. The Account Manager will then delegate the data entry to other individuals (see ‘Designees’ below). An Account Manager may perform this role for more than one syndicate. The Account Manager may ask others to assist but remains the declared manager of the reporting process.

Alternatively, if the syndicate chooses to delegate responsibility to an outside agent, Lloyd’s is happy for this route to be followed in instances where syndicates do not have an individual to fulfil this role. However, syndicates will find it easier to exercise control over delegation of authority by retaining this function in-house.

In summary, the Account Manager:

- Must register on the COBSW, obtain a Login ID and complete the account set up tasks.
- Can be associated with another reporting entity if they receive the Authorised PIN from the COBC mailing. This would occur when a reporting entity has multiple subsidiaries who will report separately for MMSEA Section 111 or when the entity chooses to name an agent as its Account Manager.
- Can invite other users to register on the COBSW and function as Account Designees.
- Can manage the RRE’s profile including selection of a file transfer method. Can upload and download files to the COBSW if the RRE has specified HTTPS as the file transfer method.
- Can use his/her Login ID and Password to transmit files if the RRE has specified SFTP as the file transfer method.
- Can review file transmission history.
- Can review file-processing status and file statistics.

- Can remove an Account Designee's association to an account.
- Can change account contact information (e.g. address, phone, etc.)
- Can change his/her personal information.
- Cannot be an Authorised Representative or Account Designee for the same RRE.

Account Designees

The Account Manager then designates other individuals to register as users of the COBSW associated with the RRE's account known as Account Designees. Account Designees assist the Account Manager with the reporting process and may be managing agent employees or other agents. There is no limit to the number of Account Designees associated with one RRE ID.

In summary, an Account Designee:

- Must be invited by an Account Manager, register on the COBSW and obtain a Login ID.
- Can be associated with multiple RRE accounts, but only by an Account Manager invitation for each RRE ID.
- Can upload and download files to the COBSW if the RRE has specified HTTPS as the file transfer method.
- Can use his/her Login ID and Password to transmit files if the RRE has specified SFTP as the file transfer method.
- Can review file transmission history.
- Can review file-processing statuses and file statistics.
- Can change his/her personal information.
- Cannot be an Authorised Representative or Account Manager for the same RRE ID.
- Cannot invite other users to the account.
- Cannot update RRE account information.

Minimum data required for CMS monthly reporting purposes from 1 January 2010

- Identifying information for claimants, including social security number or Medicare Health Insurance Claim Number, age, gender, and name.

- The amount of the payment to the claimant, and when the payment was made.
- Whether the RRE has an ongoing responsibility for medicals. Note that this requirement triggers additional monitoring obligation, in case a claimant is not a Medicare beneficiary at the time that the responsibility is initiated, but becomes a Medicare beneficiary before the termination of the responsibility.
- Information which identifies the alleged cause of injury or illness, and diagnostic codes to identify the type of injury or illness.