CMS Procedure Update: Conditional Payments

Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) added mandatory reporting requirements for certain responsible reporting entities (RRE's) including entities self-insured for workers' compensation. The purpose of Section 111 reporting is to enable CMS to pay appropriately for Medicare-covered items furnished to Medicare beneficiaries. Reporting of workers' compensation claim information helps CMS determine when other insurance coverage is primary to Medicare, meaning that it should pay for the items and services first before Medicare considers its payment responsibilities.

As part of the services that NCA provides for our clients, we electronically report any applicable workers' compensation claim information (including incidents) to CMS when the claimant is a Medicare beneficiary.

Upon receipt of this information, CMS checks whether the injured party associated with the claim report is a Medicare beneficiary, and determines if workers' compensation is primary to Medicare. CMS then uses this information in the Medicare claims payment process and, if Medicare paid first when it should not have, uses it to seek repayment from the other insurer or the Medicare beneficiary.

As of January 1, 2016, CMS has changed the Medicare Conditional Payment Recovery Process. The Commercial Repayment Center (CRC) is now responsible for handling claims where Medicare is directly pursuing insurers as the identified debtor for conditional payment recovery.

In the past, the conditional payment recovery process has only been completed *upon settlement of the workers' compensation claim*. We will now begin to receive notice when ***any payment*** is made that CMS believes should be paid under the Workers' Compensation claim.

The Commercial Repayment Center will perform this process on all open claims. NCA will receive bills on any claim where a Medicare payment has been made on a body part that is listed under the workers' compensation claim. Our team will review the bills to confirm whether the treatment is related to the workers' compensation claim. This may include the involvement of a Registered Nurse Case Manager.

If the bill is related to the claim and appropriate, NCA will reimburse CMS on your behalf. If our team does not believe the treatment is related to our claim, we will go through an appeals process to dispute the billing.

As a result of this new process for the industry, we may see increased costs in workers' compensation, as the conditional payments process is applied to a broader number of claims.

If you have any questions of this process or how it will affect your claims, please contact Erin Jordan at ejordan@ncacomp.com

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