



March 31, 2009

2009:4

MMSEA/SCHIP Update

CMS User Guide; Changes to Compliance Timeline, Reporting Thresholds and Look-Back Provision; and an Extended Web Seminar Schedule

The Centers for Medicare and Medicaid Services (the CMS) has provided important additional details regarding compliance with the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) including significant adjustments to the previously announced implementation requirements.

Included in the *User Guide* of March 16, 2009 (*MMSEA Section 111 Medicare Secondary Payer – Liability Insurance (Including Self-Insurance), No-Fault Insurance, and Workers’ Compensation User Guide, version 1.0*) and the supplemental *Alert* dated March 20 are the most extensive and detailed explanations yet of the requirements. Both the *User Guide* and the *Alert* are available on the [NGHP page](#) of the CMS website, and the brief but critical *Alert* is attached for convenient reference.

Among the modifications of greatest interest to employers and insurers are:

- An extension of the deadline for the completion of reporting systems testing from September 30, 2009 to December 31, 2009. **Note:** The registration window for Responsible Reporting Entities (RREs) of May 1 to June 30 remains unchanged; and the filing of test submissions must still **begin** during the July-September, 2009 interval.
- A deferral of the required launch of live reporting from October-December, 2009 to January-March, 2010. **Note:** RREs that complete testing prior to January 1, 2010 may still begin submitting live production files during the quarter October-December, 2009 if they prefer.
- The introduction of incremental reporting thresholds for both liability and workers’ compensation claims beginning with amounts greater than \$5,000 for the calendar year 2010 and reducing to greater than \$2,000 for the year 2011 and greater than \$600 for the year 2012. Thresholds are based on the reporting entity’s Total Payment Obligation to the Claimant (TPOC). Multiple TPOCs to the same claimant must be bundled in determining the reporting obligation.
- Exclusion through December 31, 2010 from requirements to report Ongoing Responsibility for Medicals (ORM) information for workers’ compensation claims that are **all of the following**: medical only **and** involve seven or fewer calendar days of lost time **and** in which all payment(s) for medical expenses have been made directly to medical providers **and** in which payments do not exceed \$600 in total.
- A material limitation to the look-back obligation for reporting ORM assumed prior to July 1, 2009. Specifically, if a claim is closed or removed from the active claims record prior to January 1, 2009, information is not required on ORM assumed prior to July 1, 2009. With respect to such closed claims, this eliminates the necessity of looking back as far as 1980 or even earlier to prepare reports.

Sedgwick CMS regards these changes as positive for our clients. We consider them supportive of the Act's primary objective of equitable apportionment of costs between the Medicare System and other payers. Important issues remain under discussion with the CMS, but these recent adjustments confirm the value of constructive engagement by stakeholders in the Medicare secondary payer process such as the Medicare Advocacy Recovery Coalition (MARC at www.marccoalition.com), an alliance of employers, third-party administrators including Sedgwick CMS, insurance carriers, attorneys and others interested in fostering continuous improvement in the prompt and fair administration of the Medicare secondary payor process.

Sedgwick CMS will be ready to support our clients throughout MMSEA's registration, testing, implementation and ongoing reporting process.

- We are developing fully compliant reporting systems and service practices to accommodate the still-evolving CMS reporting requirements.
- We will make no additional charges to our clients for creating MMSEA reports in the standard data format ultimately prescribed by the CMS and submitting those reports to the CMS on a client's behalf.
- We will continue to provide information and training. Watch for future *Client E-Bulletins* and web seminars as well as computer-based training, FAQs and other resources.

In response to heavy participation by clients in the initial six offerings of our current MMSEA web seminar, a seventh session has been scheduled for Thursday, April 2. Clients are invited to register at the link [April 2, 2009 – 1:00 pm to 3:00 pm \(Central Time\)](#). A confirmation will be emailed to registrants from messenger@webex.com with the link and password needed to enter the training session.

A recorded master session of the web seminar will be available following the close of the live series. For access information beginning April 6, 2009 visit www.sedgwickcms.com and select the featured [MMSEA Resource Page](#). The page also offers links to past *Client Bulletins* on MMSEA and will feature new material as it becomes available.

For more information: Sedgwick CMS clients and other *E-Bulletin* recipients are invited to contact Sedgwick CMS Workers' Compensation Practice Lead Darrell Brown (562-981-1708, Darrell.Brown@sedgwickcms.com) or Liability Claims Consultant Marcia Nigro (215-231-3925, Marcia.Nigro@sedgwickcms.com) for more information on MMSEA and the Sedgwick CMS plan for supporting clients in achieving full compliance. Clients are encouraged to discuss their program's specific involvement with their Sedgwick CMS program manager.

Sedgwick CMS representatives will also have information on our MMSEA support strategy at the upcoming RIMS Conference, April 19-23 in Orlando.

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