



Notice to Members, Insurance Brokers and other interested parties

Re: Medicare Secondary Payer Mandatory Reporting

Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (P.L. 110-173) adds new mandatory reporting requirements for group health plan arrangements and for liability insurance (including self-insurance), no-fault insurance, and workers' compensation.

The Medicare User's Guide states, "By statute, Medicare is secondary to liability insurance (including self-insurance), no-fault insurance, and workers' compensation." The Guide continues to say, "The data collected under Section 111 reporting will be used by CMS in processing claims billed to Medicare for reimbursement for items and services furnished to Medicare beneficiaries and for MSP recovery efforts, as appropriate."

According to the User's Guide, "Where the applicable law or plan authorizes employers to join with other employers in self-insurance pools (e.g., joint powers authorities) and the self-insurance pool (1) is a separate legal entity (2) with full responsibility to resolve and pay claims using pool funds (3) without involvement of the participating employer, the self-insurance pool is the RRE (Responsible Reporting Entity)."

The Alabama Self-Insured Worker's Compensation Fund is an RRE and will be reporting claims to Medicare according to Medicare's established guidelines and procedures. Reporting, according to Medicare's present timeline, will begin in 2010.



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INSURANCE

New Reporting Requirements for MMSEA, Section 111

Medicare is introducing new reporting requirements on insurance claims. Section 111 of the Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007 (MMSEA), adds new mandatory reporting requirements for group health plan (GHP) arrangements and for liability insurance, including self-insurance, no-fault insurance and workers' compensation. Data on claims will need to be reported to the Centers for Medicare & Medicaid Services (CMS). The intent of the new requirements is to help ensure that Medicare is not paying for medical treatment for medical conditions related to insurance claims.

The reporting requirements include a number of specific data elements on each claim with recent activity and will be conducted quarterly until the claim is closed and has no further medical exposure. The format of the reports will be determined by CMS and be consistent for all reporting entities.

Sentry is aware of these new reporting requirements and is taking the necessary steps to comply. The specific details of the requirements have only recently been released and vary based on whether a business is insured or self-insured.

Insured Customers: Sentry will generate required data, test the process and report the information to CMS on behalf of our insured clients. As your insurance carrier, Sentry is the Registered Reporting Entity (RRE) for all covered policy years.

Self-insured Customers: Self-insured businesses are considered to be their own RRE and are responsible for making sure claim data is reported timely and accurately. While Sentry has data on the claims we are managing, it is important for any self-insured business to check with all Third Party Administrators (TPAs) they have used to ensure each TPA will be able to provide the required data when necessary. We are currently analyzing the specific requirements for reporting for self-insured entities and will be contacting those clients directly to clarify the specific role Sentry will play in the new reporting process.

Registering Requirements: Every RRE will need to register with CMS between May 1 and June 30, 2009. If you have insurance coverage through Sentry, we will be registering as the RRE for the covered policy years. **If you are self-insured, you will need to register directly with CMS as an RRE.** Once an RRE is registered they will be assigned a CMS liaison to help them work through the testing and reporting process.

If you have questions regarding these new requirements, please contact your National Accounts Claims Specialist.

Tom Whittington
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