



Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA)

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**Section 111 of the Medicare, Medicaid and SCHIP
Extension Act of 2007
(MMSEA)**

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA Section 111) adds mandatory reporting requirements with respect to Medicare beneficiaries who have coverage under group health plan (GHP) arrangements as well as for Medicare beneficiaries who receive settlements, judgments, awards or other payment from liability insurance (including self-insurance), no-fault insurance, or workers' compensation.

Section 111:

Adds reporting rules

Does not eliminate CMS' existing processes
Includes penalties for non-compliance

Who Must Report

An applicable Plan
Applicable Plan includes fiduciary or administrator for such law, plan or
Arrangement:
 Liability Insurance
 No-fault insurance
 Workers' Compensation laws or plans

What Must Be Reported:

Indemnity of a Medicare beneficiary whose illness, injury, incident, or accident was at issue as well as such other information to be specified that will enable an appropriate determination concerning coordination of benefits, including any applicable recovery plan.

When/How Reporting Must be Done:

In a form and manner, including frequency to be specified information shall be submitted within a time specified by the Secretary after the claim is addressed/resolved (or partially) through a settlement, judgment, award, or other payment, **regardless of whether or not there is a determination or admission of liability.**

Submissions will be in an electronic format.

Medicare Entitlement, Eligibility, and Enrollment

Medicare is a health insurance program for:

People age 65 or older,
People under age 65 with certain disabilities, and
People of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

Medicare Secondary Payer (MSP) Overview

The sections of the Social Security Act known as the Medicare Secondary Payer (MSP) provisions were originally enacted in the early 1980s and have been amended several times, including by the MMSEA Section 111 mandatory reporting requirements.

Medicare has been secondary to workers' compensation benefits from inception of the Medicare program in 1965. The liability insurance (including self-insurance) and no fault insurance MSP provisions were effective December 5, 1980.

Process Overview

The purpose of the Section 111 MSP reporting process is to enable CMS to pay appropriately for Medicare covered items and services furnished to Medicare beneficiaries by determining primary versus secondary responsibility.

Section 111 requires Responsible Reporting Entities (RRE) to submit information. The RRE will submit information electronically on liability insurance, no-fault insurance and workers' compensation claims where the injured party is a Medicare beneficiary. The actual data submission process will take place between the RREs and the CMS Coordination of Benefits Contractor (the COBC).

RREs are required to register with the COBC and fully test the data submission process before submitting production files. RREs will then be assigned a quarterly file submission timeframe during which they are to submit files. Once in the production mode, RREs will submit their initial files containing information for all liability, workers' compensation claims involving a Medicare beneficiary as the injured party where the judgment, award or other payment date is July 1, 2009 or subsequent and claims on which ongoing responsibility for medical payments exist as of July 1, 2009, regardless of the date of an initial acceptance of payment responsibility. Subsequent quarterly file submissions are to contain only new or changed claim information using add, delete and update transactions.

An RRE electronically transmits a claim data file to the COBC. When this processing is completed or the prescribed time for response file generation has elapsed, the COBC electronically transmits a response file back to the RRE. The response file will include information on any errors found, disposition codes that indicate the results of processing and the MSP information as prescribed by the response file format.

The CMS is allowing RREs to submit a query to the COBC to determine Medicare entitlement of the injured party prior to submitting claim information for Section 111 reporting.

Changes:

The deadline for RREs to register has been extended to September 30, 2009.

Testing will take place from January 1, 2010 through March 31, 2010.

All RREs must submit their first live production file no later than their assigned submission window for the April-June calendar quarter of 2010.

RRE for Workers Compensation – Definitions and Reporting Responsibilities:

A workers' compensation law or plan means a law or program administered by a State to provide compensation to workers for work-related injuries and/or illnesses

Where such a plan is directly funded by the employer, the employer has the responsibility for the reporting requirements.

Where the plan is indirectly funded by the employer, the insurer has the responsibility for the reporting requirements.

Bullet Points:

When the employer purchases insurance from an insurance carrier, the insurance carrier is the RRE.

When the employer self-insures, the self insuring employer is the RRE.

An employer who is self insured for the deductible portion of a liability policy but always pays the deductible to its insurer, who then pays the claim, it may not have anything to report.

Use of Agents:

Agents are not RREs for purposes of the MSP reporting responsibilities. The applicable RRE may contract with an entity to act as an agent for reporting purposes.

Registration for reporting and file submission with the COBC must be completed by the RRE. During registration the RRE may designate an agent. An agent may not register on behalf of an RRE.

Registration and Account Setup

The process requires RREs to provide notification to the COBC of their intent to report data to comply with the requirements of Section 111 of the MMSEA.

The registration process will enable the COBC to obtain information to:

Validate information provided by the RRE registrant

Assign a Section 111 Reporter ID

Develop a Section 111 reporting profile for the entity including estimates of the volume and type of data to be exchanged for planning purposes.

Assign a production live date and ongoing file submission timeframe to each entity

Establish the necessary file transfer mechanisms

Assign a COBC Electronic Data Interchange Representative (EDI Rep) to the entity to assist with ongoing communication and data exchange.

Assign Login IDs to individual users associated with the RRE account

Registration and Account Five Step Setup Process:

Step 1: Identify an Authorize Representative, Account Manager and other COBSW Users

The Authorized Representative is the individual in the RRE organization who has legal authority to bind the organization to a contract and the terms of MMSEA Section 111 requirements and processing. The Authorized Representative has ultimate accountability for the RRE's compliance with Section 111 reporting requirements.

The Authorized 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 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.

The RRE must assign or name an Account Manager. Each RRE ID can have only one Account Manager. The Account Manager may be an RRE employee or agent.

The Account Manager:

Must register on the Coordination of Benefits Secure Web-Site (COBSW), obtain a Login ID and complete the setup tasks.

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 use his/her Login ID and Password to transmit files if the RRE has specified Secure Transfer Protocol (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.

Can change his/her personal information.

Cannot be an Authorized Representative or Account Designee for the same RRE ID.

The Account Designee: *Details available upon request*

Step 2: Determine Reporting Structure

How Section 111 files will be submitted to the COBC

How many Reporter IDs will be needed

If one agent will be reporting workers' compensation claims and another agent submitting liability or no-fault claims, the RRE must register on the COBSW twice to obtain two RRE IDs that will be used by each agent respectively.

Step 3: RRE Registration on the COBSW - See attached sample of registration screens from web-site.

Step 4: RRE Account Setup on the COBSW – Account Manager

Step 5: Return Signed RRE Profile Report – Authorized Representative

File Submission Timeframe

Claim Input and Tax Identification Number (TIN) Reference Files must be submitted on a quarterly basis during the employer's assigned file submission timeframe. RRE will receive a Claim Input File submission timeframe assignment on the profile report which is sent after the COBC has processed the Section 111 registration and account setup.

Each 3-month calendar quarter of the year has been divided into 12 submission periods as shown in the chart below. For example, if you have been assigned to Group 7, you will submit your Claim Input and associated TIN Reference File from the 15th through the 21st calendar day of the second month of each calendar year quarter; February 15th and February 21st for the first quarter, May 15th and May 21st for the second quarter, August 15th and August 21st for the third quarter and November 15th and November 21st for the fourth quarter of each year.

Quarterly Claim Input File Submission Timeframes

Dates	1st Month	2nd Month	3rd Month
01-07	Group 1	Group 5	Group 9
08-14	Group 2	Group 6	Group 10
15-21	Group 3	Group 7	Group 11
22-28	Group 4	Group 8	Group 12

RREs must send their files as close to the first calendar day of their submission timeframe as possible in order to have the file receipt date fall within their submission timeframe. For example, if you submit a file on a Saturday, the COBC system will not mark the receipt date until the COBC batch cycle runs on Monday night. If the batch cycle runs past midnight or Monday is a Federal holiday, your file receipt date might not be set until Tuesday or even Wednesday. The seven day window is provided to account for this delay between submission and receipt date determination.

Query Input Files may be sent as frequently as month, after the production live date, on any day of the month.