

# MSA Insider



**Getting You to Settlement**

September 2011

Your Premiere Compliance Solution

## ***MSPRC Announces Minimum Threshold for Medicare Conditional Payment Recovery in Liability Settlements***

### **MSPRC announced the following policy:**

#### **BENEFICIARY ALERT \$300 Threshold on Liability Settlements**

Medicare has implemented a \$300 threshold for certain **Liability Insurance** cases. If all of Medicare's criteria are met, the MSPRC will not recover against the beneficiary's settlement, judgment, award or other payment.

#### **If you're a beneficiary, what does this mean for you?**

As of September 6, 2011, if you've received a lump sum settlement of \$300 or less, and your case meets certain conditions, Medicare will not recover from that settlement. These conditions include:

1. Your settlement is related to an alleged physical trauma-based incident, not an alleged exposure, ingestion, or implantation, and
2. You do not have any additional settlements related to the same alleged incident.

*Please note that this threshold specifically excludes settlements where an insurer is paying your medicals bills directly or on an ongoing basis. This threshold also does not apply if a demand letter was already issued for your case. We have posted a more detailed explanation in the Attorney and Insurer Toolkits.*

**What does this mean for our clients?** For settlements that fit the above criteria there is no reason to investigate conditional payments prior to settlement nor obtain a Final Demand from MSPRC post-settlement as this policy provides a safe harbor from Medicare recovery.

**What is MedAllocators doing in response?** If you advise us a liability settlement will be \$300 or less we will advise you that a conditional payment investigation is not required pursuant to this policy.

**Why is this happening?** Efforts by the Medicare Advocacy Recovery Coalition (MARC), for which MedAllocators is a member, resulted in a Congressional Subcommittee hearing last June in which these low dollar recovery efforts were noted to be a waste of taxpayers' dollars as CMS was spending more on the effort to collect than it was actually collecting. This new policy would appear to be a response to that hearing as well as legislation introduced by MARC to mandate a minimum threshold for conditional payment recovery. While this is a step in the right direction, MARC's position is this threshold should be higher and also include workers compensation. MARC is to continue its efforts to increase the threshold amount as well as extend the policy to WC.

#### **CMS Releases Updated MMSEA Section 111 User Guide (V3.2)**

CMS recently released User Guide Version 3.2 for Medicare Secondary Payer Mandatory Reporting in Non-Group Health Plans (NGHP). The updated version can be found at the MedAllocators website under CMS Memos. [www.MedAllocators.com](http://www.MedAllocators.com)