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Mandatory Insurer Reporting Deadline Nears

Protect your interests
and avoid steep fines
by acting now.

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Effective July 1, 2009, compliance with Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) mandates that liability, no-fault and workers' compensation insurers must report claims involving a Medicare beneficiary to the Centers for Medicare and Medicaid Services (CMS). CMS has dictated that Mandatory Insurer Reporting (MIR) must be completed electronically on a quarterly basis. Non-compliance carries a steep price tag—CMS is authorized to impose fines up to \$1,000 per day per claim for as long as a claim remains unreported. As of the writing of this article, CMS has mandated that responsible reporting entities (RREs) must begin submitting applicable

In considering whether or not handling Mandatory Insurer Reporting in-house is the best approach for your organization, questions to answer include:

- Do you have the technology platform to support Mandatory Insurer Reporting requirements?
- Do you have the resources to support the additional workload MMSEA compliance-reporting requirements will create?
- Do you have the internal controls to deliver complete reporting compliance the first time and every time to avoid the onerous Medicare penalties?
- Do you have years of IT experience and time-tested client connectivity?
- Do you have years of governmental reporting experience?

claims data—as outlined in the current User Guide 2.0—as of the second quarter of 2010.

Adding to the initial high stakes set by the fines is the complexity of the legislation and the ever-changing compliance requirements issued through policy memorandums from CMS. Combining these factors with the global economic downturn, “business as usual” is turning into a fight for survival.

Even organizations that are ahead of the curve and have established a system to manage the new reporting requirements are likely to confront challenges as the new CMS reporting mechanism goes through fits and starts. Now is a good time to consider all the options for minimizing organizational risks and capitalizing on opportunities.

The real challenge lies in making sure that Medicare’s interests are always taken into consideration. This means that the primary payer not only has to ensure MIR compliance, but that conditional payment liens must be repaid to Medicare and future Medicare-covered medical costs must be allocated for.

The Options

Claims departments must evaluate existing technology and systems to determine if handling the reporting in-house is the best approach for their organizations. There are many factors to consider, including staff, technology, systems, operations and risk. In order to best evaluate their current situation, organizations may want to enlist outside, nonbiased consultants to stress-test their systems and people and to determine scalability. Before moving forward, it is important to assess whether or not your organization has the technology capabilities to handle CMS electronic compliance reporting requirements.

Alternatively, organizations can leverage existing vendor IT expertise, system capabilities, proven experience, and industry knowledge. By partnering with an expert in the field, companies can ensure compliance while minimizing the financial burden that development and implementation of a proprietary system would present. Significant risk management advantages can also be realized when working with an outside, experienced provider.

It is critical to ensure that the provider possesses expertise in government affairs, is on top of the legislation enacted, and executes and communicates the changes as soon as they are issued. It’s also important to ensure that the provider has implemented the most advanced networking connectivity and IT systems for quick, accurate data collection and translation as well as online, 24/7, real-time access. The provider should also have a secure method of transfer that meets SAS 70 Certification, be HIPAA compliant and have a comprehensive disaster-recovery plan.

Exceptional solutions offer flexibility and scalability. The key component is a claims management software system that can easily adapt to CMS changes, such as rules updates.

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Whether your organization plans to address the new regulations with in-house resources or with the assistance of an outside provider, the system must include the following functionality:

- Direct data import capabilities
- A monitoring process for MIR and CMS requirement modifications
- An auditable solution that tracks compliance
- A single system that can accommodate the vast differences between liability and workers’ compensation claims
- Executive- and management-level compliance reporting functions
- Automated alerts for any claims in danger of becoming noncompliant.

The System Is Evolving

There likely will be changes as CMS refines its reporting system, which now has 131 data fields. Change in the Medicare Secondary Payer process has been continuous for the past seven years. Primary payers will have to continue to adapt their reporting and claims systems as Medicare makes changes in the future. These changes could be in the number and type of data collection fields or in the modification of the definition of a responsible reporting entity (RRE). The bottom line is that the only means of staying up to date with MMSEA legislation is to constantly scrutinize the Medicare Web site for changes. It is critical to consider whether or not your organization has the bandwidth to do this review and implement the changes immediately or if would it be more cost-effective to work with an outside provider.

Getting Ahead of the Situation

In the face of the stiff CMS noncompliance penalties that will go into effect, managers need complete confidence in a compliance program that effectively mitigates risk and minimizes the impact on workflow productivity. Ultimately, the best system is an easy-to-use, integrated, compliance-reporting process that delivers relevant data and provides the ability to protect an organization’s interests. The choice is yours in how you get there.