



TUCKER ELLIS & WEST LLP
ATTORNEYS AT LAW

CLIENT UPDATE

August 2009

**MEDICARE'S SECTION 111 REPORTING PROGRAM:
*UPDATED GUIDANCE FOR COMPLIANCE***

A recent amendment to the Medicare Secondary Payor Statute requires that certain insurance arrangements report to the Secretary of the Department of Health & Human Services information the Secretary deems necessary to facilitate proper coordination of benefits with the Medicare program.

Compliance with the "Section 111 Rules" (a reference to the statutory cite) is now well underway. Reporting entities have until September 30, 2009 to register with Medicare. Starting January 1, 2010, companies (or their designated agents) must take training on data submission procedures and be prepared to actively report to Medicare by April 1, 2010 at the latest.

These reporting burdens will impact all industries and all forms of liability insurance and self-insurance programs (everything from auto to property/casualty and from workers' compensation to professional liability and no-fault insurance) and will change the mechanics and processing of settlements, judgments, awards and the payment of obligations for future medicals to Medicare beneficiaries.

The effect of the impending reporting rules is already being felt: injecting an air of uncertainty in the settlement process, leading some claimants to inflate settlement

demands, and prompting others to rush to consummate settlements before January 1, 2010 — the date beyond which full-scale reporting is required.

Penalties

This law imposes onerous obligations to report to Medicare, a practice foreign to most companies. The law also requires reporting entities to develop new policies and training programs and the law imposes stiff penalties for non-compliance with these new obligations.

Practical Information You Need To Know

Tucker Ellis & West LLP has been keeping clients informed about the mandatory requirements imposed by Medicare Section 111 Rules. A detailed article was first published in May 2009. Since then, Medicare has conducted educational briefing sessions and has issued a revised User Guide, clarifying the operational processes and technical details for this program. To guide our clients, colleagues and friends, we have distilled the salient features of the program, incorporating the most recent Medicare guidance and User Guide instructions, and are reporting them here. Drawn from the official and most up-to-date Medicare sources, the attached article provides an [Overview of the Section 111](#)

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reporting program, a reformatted section on Frequently Asked Questions, updated practical tips for implementing the reporting obligations, and an enhanced Glossary of definitions, government acronyms, and Resources.

As the time for active reporting of liability settlements, payments and awards draws near, Tucker Ellis & West LLP will continue to share the important program updates you need to know as they become available. We also invite your questions and comments, as we strive to provide the guidance you need to be successful.

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