Medicare compliance update

The end of 2011 saw a flurry of activity in the Medicare compliance arena, and the Sedgwick Medicare compliance team is closely monitoring the action to keep you, our valued clients, informed of the latest developments.

Conditional payment notices

In the past, conditional payment notices have been sent to Sedgwick clients, who are viewed by the Centers for Medicare & Medicaid Services (CMS) as "responsible reporting entities" (RREs). Our RRE clients have then had to forward these notices to their Sedgwick claims examiner for proper handling. However, a December 20, 2011 CMS alert allows third-party administrators like Sedgwick to receive conditional payment notices directly from CMS.

Sedgwick is in the process of setting up a post office box designated to receive conditional payment notices. We will alert you as soon as the address is established. We expect the information to be available by the end of February. Once the mailbox is established, the Sedgwick Medicare compliance team will monitor letters from the CMS to ensure that all notices are placed in the correct claim files.

- **If you are already using Sedgwick as your reporting agent, no action on your part is required at this time.** We will automatically include the new address in our next electronic reporting transmission to CMS on your behalf. By the end of the third quarter of 2012, all conditional payment correspondence for your account should be coming to Sedgwick.

- **If you have opted to use another vendor as your reporting agent**, you will need to advise your vendor to change the address in their system to Sedgwick's new P.O. box when it is established.

MSA Portal

In late 2011, CMS began accepting Medicare set-asides (MSAs) via a web-based portal. The Sedgwick Medicare compliance team has begun using this portal, but it is still too early to determine whether this system will truly reduce the amount of time it takes CMS to approve MSAs (currently between 6 and 7 months). We hope to have enough data by the end of the first quarter of 2012 to report back to you regarding the efficiency of the new system.

The MSA portal was designed to provide a more secure way to transmit MSAs to CMS for review and approval by an MSA vendor. It was not designed for use by claims examiners, and thus the system includes a number of restrictions for those users. However, because Sedgwick's Medicare compliance team operates as an MSA vendor, our Medicare specialists are able to access the MSA portal on behalf of clients.

If you would like more information about these updates or Sedgwick's Medicare compliance services, please contact Sedgwick VP of Medicare Compliance Mike Merlino at 678-628-1336 or michael.merlino@sedgwickcms.com.

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