

## "Self-Calculated Final Conditional Payment Amount" Option

The Centers for Medicare & Medicaid Services (CMS) released its newest change in order to expedite liability settlements. The new option is limited only to claims with a settlement less than \$25,000. This option will be available in February 2012, for certain settlements involving physical trauma based injuries where treatment has been completed.

The MSPRC states: "Under this option, the beneficiary or his representative will calculate the amount of Medicare's conditional payment amount using information received from the Medicare Secondary Payer Recovery Contractor (MSPRC), the MyMedicare website, or other claims information available to the beneficiary. The MSPRC will review this amount and, if finding the amount accurate, will respond with Medicare's final conditional payment amount within 60 days. To secure the final conditional payment amount, the beneficiary must settle within 60 days after the date of Medicare's response.

**In order to use this option, ALL of the following criteria must be met:**

1. The liability insurance (including self-insurance) settlement will be for a physical trauma based injury (the settlement does not relate to ingestion, exposure, or medical implant);
2. The total liability settlement, judgment, award, or other payment will be \$25,000 or less;
3. The Date of Incident occurred at least **six months** before the beneficiary or his representative submits his proposed **conditional** payment amount to Medicare;
4. The beneficiary demonstrates that treatment has been completed and no further treatment is expected either through a written physician attestation or by certifying in writing that no medical treatment related to the case has occurred for at least **90 days** prior to submitting the proposed conditional payment amount to Medicare"

MSPRC will issue explicit instructions on how to use this process by January 15, 2012. CMS will leverage existing processes to the greatest extent possible. This is an initial step to provide beneficiaries and their representatives with Medicare's conditional payment amount prior to settlement. CMS plans to expand this option as it gains experience with this process.