

ALERT

# Section 111 Bulletin: CMS Provides Liability, No-Fault and Workers' Compensation Insurers More Time to Prepare for Mandatory Medicare Reporting

May 29, 2009

The Centers for Medicare & Medicaid Services (CMS) announced on May 11, 2009 that it has extended the time frame for liability, no-fault, and workers' compensation insurers (non-GHPs) to comply with the reporting requirements mandated by Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Section 111). These insurers (or their designees) must register as Responsible Reporting Entities (RREs) with CMS and test their electronic reporting capabilities before submitting actual claims data. Pursuant to the new time frame, non-GHP insurers will now have until September 30, 2009 to register with CMS, and actual reporting need not begin until the second quarter of 2010 after claims testing in the first quarter. These new deadlines give non-GHPs an extra three months to come into compliance with the new mandatory Medicare reporting regime.

The revised implementation timetable is comprised of the following 5 phases.

## Phase 1: Development Period (Prior to Registration)

RREs will develop a system for collecting the data CMS requires for each reportable claim. CMS will supply the Internet connection and file layouts for RRE data transmission to the Coordination of Benefits Contractor (COBC). RREs (or their agents) can choose to submit data via the Coordination of Benefits Secure Website (COBSW) using Hypertext Transfer Protocol over Secure Socket Layer (HTTPS) or Secure File Transfer Protocol (SFTP) or, for large amounts of data, via Connect:Direct using the AT&T Global Network System (AGNS). CMS

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## Practice Areas

Health Care  
Insurance  
Section 111 Insurer Reporting and MSP  
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is providing free computer-based training.

**Phase 2: Registration Period (May 1, 2009 - September 30, 2009)**

RREs will register online by logging on to a secure website with the COBC. The RRE must complete the registration process directly; it may not do so through an agent. Once the RRE submits its application via the secure website, CMS will begin working with the entity to set up the data reporting and response process.

Each RRE must register for and obtain an assigned RRE ID for every claim file it will submit each quarter. Because an RRE is permitted to submit a particular claim file only once per quarter, an RRE may need to register for multiple ID numbers. For example, if an RRE operates two different claims systems, one that processes no-fault claims and another that processes workers' compensation claims, it may be difficult for the RRE to combine the reports of these systems in order to submit a single claim file to CMS. Accordingly, the RRE could register for two RRE IDs, one ID for the no-fault claims system and one ID for the workers' compensation system, and submit two claim files each quarter.

**Phase 3: Testing Period For Query Input Files (Begins July 1, 2009)**

The Query Function will be available as of July 1, 2009 for an RRE that has completed registration and is in testing status, which means that the COBC has received the RRE's signed Profile Report. Both test and production Query Input Files will be accepted and processed for an RRE ID in testing status. Although RREs have until September 30, 2009 to register, RREs cannot submit Query Input Files until they have completed registration and are in testing status for the applicable RRE ID(s).

**Phase 4: Testing Period For Claim Input Files (January 1, 2010 - March 31, 2010)**

CMS also has moved the testing period for claim input files back a quarter although it appears that the agency may permit an RRE to begin testing in 2009 if it has successfully completed registration. Once testing is concluded for an RRE ID, the system will set the RRE ID to production status. Additional test files will continue to be accepted and processed after production status has been attained up until actual reporting begins.

RREs that complete testing during the first quarter of 2010 may submit their first live production file(s) during that quarter. RREs are not required to submit their first live production file(s) until the second quarter of 2010.

Insurers may, but are not required, to use actual data to test their reporting systems. Manufactured (or dummy) data can be used to determine whether or not the submission and response files work.

**Phase 5: Initial Production Claim Input File Submissions Due (April 1, 2010 - June 30, 2010)**

All RREs must begin their quarterly production reporting no later than the file submission time frame assigned to each RRE ID by CMS.