

MARKET BULLETIN

REF: Y4455

Title	U.S. Medicare reporting and registration requirements
Purpose	To provide the Lloyd's market with an overview of the implementation activity now in progress, working with the Lloyd's vendor, and remind managing agents of the steps which should now be complete or need to be completed in accordance with the project implementation timeline.
Type	Event
From	Rosemary Beaver, Head of International Regulatory Affairs
Date	20 December 2010
Deadline	Ongoing responsibility
Related links	Lloyd's market bulletin Y4375, 5 March 2010 Lloyd's market bulletin Y4410, 8 July 2010 Lloyd's market bulletin Y4419, 1 September 2010 Lloyd's market bulletin Y4423, 6 October 2010 Lloyd's market bulletin Y4434, 19 November 2010 Link to key regulatory projects section of lloyds.com - Medicare

Purpose

To provide an overview of the implementation activity now in progress, working with the Lloyd's vendor, and remind managing agents of the steps which they should now have completed in accordance with the project implementation timeline. Managing agents should by now have completed the registration of their managed syndicates and have advised their relevant coverholders and TPAs, based on the template communication provided by Lloyd's, that the implementation and testing work with the Lloyd's vendor is now underway.

It is recommended that managing agents, who have completed these steps, now contact the Lloyd's vendor directly at LLOYDS-MIR@GouldandLamb.com to make arrangements for getting their own implementation underway, (see "Medicare Reporting - Implementation and testing framework" below). The Lloyd's vendor has recently contacted managing agents primary Medicare contact, providing additional information and contact details and will work directly with managing agents and their contractual partners to ensure they have access to Medicare reporting, research and negotiatory services.

A sample of frequently asked questions concerning the Lloyd's market's response to Medicare reporting and registration requirements can be found at Appendix A to assist Managing Agents. A dedicated section of [lloyds.com](#) covering Medicare in greater detail can be found at: [link to lloyds.com, key regulatory projects - Medicare](#).

Background

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) concerns mandatory reporting requirements which will affect many syndicates writing U.S. risks. It requires all property & casualty insurers (including surplus lines insurers) that pay a liability claim that includes medical expenses, or that releases the insurer from liability for medical expenses to any Medicare beneficiary (or their representative), to report the claim to the Centers for Medicare and Medicaid Services (CMS).

Working extensively with the Lloyd's Medicare Claims Working Group, the approach recommended by that group to comply with MMSEA requirements was, firstly, to ensure that a suitable registration and reporting framework, recognising Lloyd's subscription market, be agreed with CMS. This was agreed with CMS earlier this year. Secondly, but prior to registration, that the Lloyd's market should retain the services of a specialist Medicare vendor. Following an extensive RFP process, a specialist Medicare vendor was selected, and agreements signed enabling the Lloyd's market to access a range of Medicare reporting, research and negotiation services provided by the specialist Medicare vendor. Implementation of the vendor's comprehensive solution is now underway.

Registration of syndicates by managing agents

Lloyd's managing agents have previously been provided with detailed instructions to allow them, where required, to register their managed syndicates for Medicare reporting purposes¹. By now, managing agents should have completed and returned their registration template and received their Responsible Reporting Entity (RRE) ID and pin #. The RRE ID and pin # should have been forwarded by managing agents to Lloyd's to allow the Lloyd's vendor to complete the next stage of registration.

The process is then completed by CMS sending managing agents' authorised representatives a "profile report" summarising their RRE registration. Authorised representatives will have received their profile reports over the past few days. Managing agents should sign and return a scanned copy to medicare@lloyds.com. The signed profile report will be sent by Lloyd's to CMS who will record this on their system and the Lloyd's RRE ID will be assigned "test" status by CMS. A copy of the profile report will also be sent to the Lloyd's vendor.

Going forward, managing agents will be required to monitor their RRE ID details to ensure that the address and authorised representative information remains accurate. A record for each managing agent of their present RRE information can be found under the Managing Agents only section of the Medicare section of [lloyds.com](#) at the link above. Managing

¹ Lloyd's market bulletin Y4423, dated 6 October, 2010 and market letter dated 25 October, 2010.

agents should complete and return the Medicare registration template (located on lloyds.com at the link above) to the Lloyd's vendor at LLOYDS-MIR@GouldandLamb.com when a change to existing RRE registration data is required and also to register new RREs.

Medicare Reporting - Implementation and testing framework.

The completion of the registration process permits the Lloyd's market to begin their "test" phase with CMS (the "Lloyd's Registration and Reporting Timeline" can be found below). The Lloyd's vendor will lead the project management and implementation and testing of the reporting solution, working with managing agents and their contractual partners. The Lloyd's Medicare Implementation Sub-Group will provide oversight of this process, again working with the Lloyd's vendor. Further information concerning this group can be obtained from the contacts below (see "Further Contacts").

Managing agents should have advised their TPAs and coverholders, based on the template communication provided by Lloyd's², that implementation and testing work with the Lloyd's vendor is now underway. Most managing agents have previously provided Lloyd's with listings of their TPAs and coverholders who will require the ability to submit claims information to the Lloyd's vendor for Medicare Secondary Payer (MSP) reporting and Medicare beneficiary testing purposes. This listing can be found under the Managing Agents only section of the Medicare section of lloyds.com (see link above).

Managing Agents primary Medicare contact should recently have received a "priority matrix" asking agents to update their TPA/coverholder listing to include any new TPAs and coverholders and to ask they supplement their complete listing with key information to allow the Lloyd's vendor to prioritise the order of their implementation process on their systems (including whether managing agents themselves will need access to the vendor's system). **This information is urgently required from managing agents. It is recommended that managing agents return completed matrices to medicare@lloyds.com ASAP and also contact the Lloyd's vendor directly to discuss their own implementation requirements as soon as this information is available.**

The Lloyd's vendor has already contacted managing agents. This communication included an "Implementation Pack", comprising the detailed timeline for implementation and the planned webinar sessions for training purposes. Webinars will take place in two stages, firstly covering the MMSEA requirements and the Lloyd's vendor's services/data transmissions methods and secondly, based on client's responses, specific details concerning their intended data transmission method. The webinars are available to managing agents, coverholders and TPAs with immediate effect. Process charts detailing the key information flows between Lloyd's RRE IDs, their TPAs and coverholders, the Lloyd's vendor and CMS are also included. The Information Pack and covering email instruction can also be found on lloyds.com at the link above.

Going forward, managing agents should continue to monitor the master TPA and coverholder listing to ensure that all their TPAs and coverholders are listed. Managing

² Lloyd's market bulletin Y4434, dated 19 November, 2010

agents should advise the Lloyd's vendor of any new additions to the list by completing a TPA priority matrix available from the Lloyd's.com link above and returning to the Lloyd's vendor at LLOYDS-MIR@GouldandLamb.com.

Monthly RRE ID fees due to Lloyd's vendor

In accordance with the terms of the agreement signed by managing agents with the Lloyd's vendor, Lloyd's will now centrally coordinate the collection and remittance of the monthly fees due from each RRE ID via the Lloyd's Central Accounting System (ARCS). This will commence from 15 January, 2011 and will be monthly thereafter. The payment of \$425, per RRE ID, per month will be paid in USD and therefore from syndicate LDTFs.

Lloyd's Registration and Reporting timeline

The timeline below sets out the key high level dates for the Lloyd's market, reflecting CMS's recently announced revised timeline.

Date	Activity	Status
November, 2010	Completion by Lloyd's vendor of registration of Lloyd's RRE's on CMS system	Complete
November, 2010	Lloyd's to provide suggested template communication to advise TPAs and coverholders of the role of the Lloyd's vendor	Complete
November, 2010	Lloyd's RRE's begin test phase prior to live reporting.	Complete
November, 2010 and through Q1 2011	Lloyd's vendor will commence process of working with each TPA and coverholder to achieve full implementation in order to compile accurate data	Due to commence on receipt of priority matrix
March, 2011	Final Deadline for Lloyd's vendor to receive reporting data to allow preparation of production strength live file for reporting ORM claims and TPOC no-fault claims	Key target date
October, 2011	Revised date (1 October) from when liability TPOC claim payments should be captured by RREs for future reporting to CMS	Key target date
March, 2012	Deadline for Lloyd's vendor to include liability TPOC claim payments in Quarterly Claims File for reporting to CMS	Key target date

Collection of data for reporting purposes

In previous market bulletins covering Medicare, managing agents and brokers were reminded that they should be taking action to ensure the gathering of data on claims that are potentially impacted by the MMSEA legislation. In accordance with the revised implementation timeline issued by CMS, claims data for liability TPOC claims should now be collected for claims payments made after 1 October 2011. It should be noted that the

date for collecting claims data for no-fault TPOC claims is unchanged (1 October 2010). Claims data for liability ORM claims is also unchanged and should continue to be collected for claims payments made after 1 January 2010. As previously advised³, the revised timeline issued by CMS does not alter the industry's MSP obligations, but does now provide a phased implementation of non-group health claims reporting under MMSEA, based on the ORM, no-fault and liability definitions of business used by CMS. Working with the Lloyd's vendor, the Lloyd's market should therefore continue to implement the Lloyd's market reporting solution, but also seek to maximise the value of the Medicare beneficiary query function and additional products provided by the Lloyd's vendor to address the MSP obligations as early as possible in the claims process.

This ongoing activity remains critical to Lloyd's RREs' ability to provide this data to the Lloyd's vendor for future reporting. To assist collection of data, a selection of templates provided by the Lloyd's vendor, which can be used to store the required data is available on the Managing Agents only section of Lloyd's.com (see link above). Please Note: These templates are optional tools for storage and reference purposes only and are designed as temporary storage mechanisms until the reporting process is fully implemented.

Lloyd's will continue to keep CMS informed of the Lloyd's markets' progress towards MMSEA compliance and maintain its dialogue with U.S. industry peers, to ensure that the significant challenges and emerging issues facing the U.S industry help inform how the Lloyd's markets prioritises its response to the CMS implementation timetable.

Further Contacts

A central point of reference for Medicare communications and guidance is now available on lloyds.com and can be found at: [Link to Medicare section of lloyds.com](#). Managing agents who are unable to access the dedicated area of this section, should contact Lloyd's International Trading Advice (see contact details below):

Lloyd's International Trading Advice:
Tel: 020 7327 6677 or Email: lita@lloyds.com

For questions regarding the implementation phase of the project and the Lloyd's Medicare Implementation Sub-Group, please contact:

Anne Rannie, Senior Project Manager, Lloyd's Market Operations
Tel: +44 20 7327 5257 or Email medicare@lloyds.com

For questions regarding Lloyd's guidance on claims management and the Lloyd's Medicare Claims Working Group, please contact:

Phil Godwin, Senior Claims Manager, Lloyd's Claims
Tel: +44 20 7327 5841 or email philip.godwin@lloyds.com

³ Lloyd's market bulletin Y4434, dated 19 November 2010

Appendix A

Frequently Asked Questions – Lloyd’s Medicare Implementation and Testing

Are coverholders and/or TPAs expected to register as Lloyd’s RRE’s?

No. Lloyd’s managing agents are registering their managed syndicates who lead on business where claims could involve a Medicare eligible injured party.

Who will provide claims data to the Lloyd’s vendor?

Managing agents who have registered syndicates as RRE’s, and their contractual partners (coverholders and TPAs) will be responsible for ensuring that claims information involving potential Medicare eligible injured parties is submitted to the Lloyd’s vendor.

How will data be provided to the Lloyd’s vendor?

This market bulletin provides an overview of the implementation process, but a key feature of the data flow between Lloyd’s stakeholders and the Lloyd’s vendor is flexibility. The Lloyd’s vendor will commence a series of Webinars, beginning w/c 13 December, 2010, which will inform stakeholders of the data transmission methods available, ranging from their web-based “iService” direct entry option through to a fully integrated, file based transmission option.

Do relevant claims only need submitting after they have been settled?

Relevant claims should be submitted to the Lloyd’s vendor as early as possible in the claims adjustment process. The role of the Lloyd’s vendor is twofold. Firstly to assist in identifying relevant claims using the Medicare beneficiary query function and then provide research and negotiation services on a user pay basis to address Medicare Secondary Payer (MSP) obligations. Secondly, to report agreed claims settlements involving Medicare eligible injured parties, in accordance with MMSEA requirements.

When can we start using the services of the Lloyd’s vendor?

Immediately. This bulletin refers to an “Implementation Pack” issued by the Lloyd’s vendor. This recognises the scale of the implementation process for Lloyd’s stakeholders and, in conjunction with the priority matrix now being completed by managing agents, should permit access to the Lloyd’s vendor’s system where required. However, this, and previous market bulletins, have reminded agents that the obligation to address MSP and MMSEA requirements is effective now. Lloyd’s stakeholders who require immediate guidance should contact the Lloyd’s vendor directly.

My managing agent is part of a dual Lloyd's and Company Market platform, can I report my company market Medicare claims using my Lloyd's RRE ID?

No. The Lloyd's RRE ID is specific to your managed syndicate. The lead syndicate will report for Underwriters at Lloyd's only.

My syndicate is the Lloyd's lead on a co-lead claim, am I responsible for reporting on behalf of the other lead?

In those instances where there are co-leaders, we would expect responsibility for reporting to be agreed between these parties. The Lloyd's vendor will, as part of their vetting of claims data received, seek to identify instances of duplicative reporting of claims and notify the RRE(s) accordingly. This aspect is being evaluated further by the Implementation Sub Group.

Should I report Medicare claims where my syndicate is a follower?

No. Where the lead entity is a Lloyd's syndicate, the lead will report as RRE. Where the lead is a non-Lloyd's entity, the Lloyd's syndicate acting as lead for the Lloyd's participation on a risk will be responsible for reporting Underwriters at Lloyd's share as RRE.

How will Medicare reporting affect applications for new syndicates and writing new lines of business?

Managing agents will need to consider Medicare MSP and MMSEA obligations in these circumstances and satisfy Lloyd's requirements. Lloyd's will also flag this issue as part of its processes.

How will Medicare reporting affect existing and future TPA agreements?

Managing agents should be reviewing their TPA agreements to ensure the MSP and MMSEA obligations are covered, engagement with the Lloyd's vendor is addressed and the use of their RRE ID is protected.

How will Medicare reporting affect Lloyd's coverholder applications?

Managing agents will need to consider Medicare MSP and MMSEA obligations in these circumstances. Lloyd's will also flag this issue as part of its processes.