What are Medicare Conditional Payments?

There are times when Medicare may pay for services or treatments that are occurring due to a workers’ compensation or liability claim. Instead of denying payment and potentially postponing treatment for the patient, Medicare will pay for the expenses, and then seek reimbursement from the insurance company, or primary payer, for the expenses. These are called Conditional Payments. Since October 2015, Medicare now seeks recovery of Conditional Payments at the time of services incurred as opposed to waiting for settlement.

How does Medicare know if there is a primary payer or what conditions are accepted on my claim?

All payers are required to report key claims information to Medicare through a process known as MMSEA (Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007) Section 111. The data is provided to the Medicare Coordination of Benefits (COB) contractor, Benefits Coordination and Recovery Center (BCRC), and is shared with the Commercial Repayment Contractor (CRC) to aid in recovery of potential Conditional Payment funds.

How does this impact my claim?

As long as the file remains open, Medicare will continuously look for reimbursement of Conditional Payments. Therefore, there can be multiple demands made throughout the life of the claim. It is only when the claim has been settled and is reported through Section 111 that Medicare will stop seeking for reimbursement from the primary payer.

How will I know if there if Medicare has made a Conditional Payment on my file?

1. Medicare has a series of notices it sends out to alert all of the appropriate parties of any payments made by Medicare on the associated claim. Each notice provides detailed information outlining the debt and instructions on how to reimburse them for payment.

2. At any point throughout the life of the claim, you can inquire with Medicare to see if there are any Conditional Payments pending. It is recommended this is done in the beginning to ensure any Conditional Payment notices from Medicare are sent in a timely fashion, and at the time of settlement to ensure that there are no additional pending payments due. If the claim does not settle and Ongoing Responsibility of Medical (ORM) is being reporting to Medicare through Section 111, Medicare will continue to seek reimbursement for payments they make related to the claim. Therefore, it is recommended to monitor for Conditional Payment activity throughout the life of the claim.
The basics of Conditional Payments

When should a claim be referred to Optum for Conditional Payment services?

- If there are unrelated charges on the notice for reimbursement
- If there is a discrepancy with the MMSEA Section 111 reported data and what is on the notice
- If multiple dates of loss and/or multiple letters/notices/demands are received for the same claimant
- If multiple parties are involved with the claim due to apportionment/exposure matters
- If the Conditional Payment is incurring interest
- If the Conditional Payment has been referred to the Department of Treasury or Treasury Offset Program

We’re here to help

Optum offers a full suite of Medicare compliance and cost containment services. Please contact your local sales representative for additional information regarding these services or log into our secure web based portal to submit a referral https://settlement.optum.com.

Key points to keep in mind

1. Failure to respond to the due date can result in escalation of the Conditional Payment to the Department of Treasury and Treasury Offset Program.

2. Medicare handles each date of loss separately, therefore separate notices will be received for each occurrence.

3. International Classification of Diseases (ICD) codes, ORM and Total Payment Obligation to the Claimant (TPOC) reported through MMSEA Section 111 all have a direct impact on Conditional Payments recovery process.

4. Failure to appropriately address Conditional Payments may impact the claimant's Medicare benefits.

5. Traditional Medicare is only one of several types of Conditional Payment/lien that can occur on a claim. It is important to know that Medicare Advantage Plans, Medicaid and Part D Pharmacy plans all have other processes in which they seek reimbursement and Optum is available to assist with those demands as well.

About Optum for Workers’ Comp and Auto No-fault Solutions

Optum Workers’ Comp and Auto No-fault Solutions collaborates with clients to lower costs while improving health outcomes for the claimants we serve. Our comprehensive pharmacy, ancillary and managed care services, including settlement solutions, combine data, analytics, and extensive clinical expertise with innovative technology to ensure claimants receive safe, efficacious and cost-effective care throughout the lifecycle of a claim. For more information, email us at expectmore@optum.com.

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