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State: NA

CMS to Merge Two Conditional Payment Units in 2014: Top [2013-12-31]

By [John P. Kamin](#), Reporter

The U.S. Centers for Medicare and Medicaid Services will officially merge the Coordination of Benefits and Medicare Secondary Payer Recovery teams into a single unit, which should save workers' compensation attorneys several phone calls a year on conditional payment issues.

CMS announced on Dec. 23 that it will launch the Benefits Coordination and Recovery Center on Feb. 1, 2014. Group Health Corp. will run the new center. The company submitted the winning bid for the \$319 million contract to consolidate the Coordination of Benefits and Medicare Secondary Payer Recovery units into the Benefits Coordination and Recovery Center.

The two units that are being consolidated currently handle CMS' conditional payment issues, which arise when CMS pays for a medical service that a private insurer is liable for under the Medicare Secondary Payer Act. The act allows CMS to seek reimbursement for such "conditional" payments.

The Coordination of Benefits team gathers information on what medical care payments CMS is liable for, and identifies any additional insurers who also might be liable for care. When the Coordination of Benefits team determines that CMS paid for a treatment for which a workers' compensation or other insurer is liable, the team would notify the Medicare Secondary Payer Recovery unit, who would seek to recoup that conditional payment from the workers' compensation insurer.

Previously, different contractors ran the Coordination of Benefits and the Medicare Secondary Payer Recovery units. Group Health Corp. has overseen the Coordination of Benefits unit since 1999, and the Chickasaw Nation ran the Medicare Secondary Payer Recovery unit until October 2011, when Group Health Corp. took over the contract.

Jennifer Jordan, general counsel at MedVal, told WorkCompCentral that the plan to merge the two departments into one has been on the books since 2011, but contract disputes delayed implementation of the merger during the last two years. She said that the merger should help resolve attorneys' confusion over conditional payment issues.

Confusion would arise when a workers' compensation attorney had to call CMS about a conditional payment issue, and would get shuffled back and forth between the Coordination of Benefits and the Medicare Secondary Payer Recovery units. This caused frustration for attorneys who were trying to help CMS clarify what the workers' compensation payer was liable for.

For instance, a workers' compensation attorney might have to call one or both departments if CMS is demanding payment for a treatment that the workers' compensation payer is not liable for. Workers' compensation attorneys typically experience this problem when CMS attempts to demand a conditional payment for treatment of a personal condition that was unrelated to the work-related injury.

"The average attorney has maybe one of those a month, or maybe five a year," Jordan said. "The average attorney does not handle these things a lot to begin with."

After having to call each department several times to resolve a conditional payment issue, attorneys would begin to suspect that the Coordination of Benefits or Medicare Secondary Payer Recovery departments were plotting against them, she said.

"Specifically, they feel like there is some great conspiracy going on, because if you do not understand the bureaucracy -- who you are calling and for what -- you can get that bounce-back," Jordan said.

CMS has seemed to acknowledge this in its press releases, which proclaim that the merger will result in "improved customer service for stakeholders" and "consolidated and streamlined data collection and recovery operations."

David Farber, an attorney for the Medicare Advocacy Recovery Coalition, said that the coalition has also observed this confusion as well.

"We are hopeful that the combination of the Coordination of Benefits contractor and the Medicare Secondary Payer Recovery Contractor will lead to greater efficiencies in resolving claims and expediting settlements," he said. "In the past, there has also been confusion between the two different contractors for CMS, which we hope will be eliminated with this combined process."

While CMS hopes that the new Benefits Coordination and Recovery Center will accelerate conditional payment disputes, Jordan confirmed that it will not affect workers' compensation Medicare set-asides. She explained that Medicare set-asides are handled by a different unit known as the Workers' Compensation Review Contractor. Provider Resources won this contract in 2011. As Workers' Compensation Review Contractor, Provider Resources analyzes proposed Medicare set-asides, and sends recommendations on the proposed set-asides to CMS' regional offices, who can decide to approve or deny the proposed set-asides.

To view CMS' announcement of the Feb. 1, 2014 launch date, [click here](#).