

The PAID Act and Its Impact on Section 111 Medicare Query Process

New law requires CMS to provide beneficiary Medicare plan type(s) to workers' compensation, no-fault, and liability insurers

The Provide Accurate Information Directly (PAID) Act was signed into law on 12/11/20. The Act will make it easier to discover whether traditional Medicare, a Medicare Advantage (Part C) Plan (MAP) and/or a prescription Part D Plan (PDP), made payments to treat injuries/illness claimed associated with workers' compensation, no-fault and/or liability claims. This information will enable the settling parties to determine whether a MAP or PDP made payments and whether they need to be reimbursed by the TPA to Medicare.

The PAID Act and Conditional Payment Recovery

The PAID Act will make it easier to identify claims that pose a risk to Non Group Health Plan (NGHP) insurers – including clients who self-insure a portion of their exposure – for claims that may be brought against them by MAPs for “double damages” under Medicare’s private cause of action (PCOA). Until now, there was no central database to search to see whether a claimant was enrolled in a MAP or a PDP.

Impact of the PAID Act on Section 111 Medicare Query Process

The PAID Act will require the Centers for Medicare and Medicaid Services (CMS) to add a component to its Section 111 Medicare Query (MQ) process to confirm the name of a claimant and identify whether a claimant is currently or has been, during the preceding three-year period, enrolled in a MAP or PDP. If so, CMS is then required to provide the names and addresses of any such Medicare plans through the Section 111 Query Process.

Next Steps for Insurers and Responsible Reporting Entities (RRE)

Although the PAID Act gives CMS a year to implement the process, it is recommended that you:

- Confirm your MAP and PDP conditional payment verification process prior to settlement of a claim.
- Reach out to your MAP and PDP Conditional Payment Team to verify whether a MAP or PDP may have made payments that need to be reimbursed.
- Once MAP and PDP names and addresses are returned on the Query Response File, the Section 111 Reporting Submitter will provide them to their RRE/insurers so that the settling parties may respond and verify payments, if any, and provide appropriate reimbursements if related to the claim to avoid potential private causes of action under the Medicare Secondary Payment Act.

Have Questions?

Please contact your Partnership Leader.

Optum and its proprietary Section 111 submission platform, Medicare Connect[®], will monitor the PAID Act implementation roll out and keep us informed as to whether CMS will seek public comment or offer informational webinars before issuing written directives for its many responsible reporting entities (RRE), insurers and third-party claims administrators. When Optum Settlement Solutions receives technical guidance from CMS as to how this change will be incorporated into the current Medicare beneficiary query process, they will update our Section 111 reporting clients.

If you have any questions, please contact your ESIS Partnership Leader.