



Financial Services Group

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ALERT

2015 Recovery Threshold for Certain Liability Settlements, Judgments, Awards or Other Payments

As required by section 1862(b) of the Social Security Act, the Centers for Medicare and Medicaid Services (CMS) has reviewed the costs related to collecting Medicare's conditional payments and compared this to recovery amounts, and has calculated the 2015 single threshold for physical trauma-based liability insurance (including self-insurance). Based on this review, CMS will maintain the current single threshold for cases where settlements are for \$1000 or less. This means that entities are not required to report, and CMS will not seek recovery on, physical trauma-based liability insurance (including self-insurance) settlements of \$1,000 or less. (Note: This threshold does not apply to settlements for alleged ingestion, implantation or exposure cases.)

Information on the methodology used to determine the threshold is provided at <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Beneficiary-Services/Downloads/Computation-of-Annual-Liability-Insurance-Including-Self-Insurance-Settlement-Recovery-Threshold-2015.pdf>