

# Conditional Payment Notice (CPN)

## Conditional Payment Notice (CPN) – What is a CPN?

- A CPN is issued in lieu of a Conditional Payment Letter (CPL) in certain circumstances when a settlement, judgment, award, or other payment has already occurred.
- A CPN provides conditional payment information AND tells you what actions must be taken because the Benefits Coordination & Recovery Center (BCRC) has been notified of a settlement, judgment, award, or other payment.

## When a CPN Will Be Sent

There are two instances when this letter will be issued in place of the usual CPL. They are:

1. If the BCRC is notified of a settlement, judgment, award, or other payment through Section 111 reporting rather than from the beneficiary or their representative. *For further information on Section 111 reporting go to <http://go.cms.gov/mirghp> for Group Health Plans and <http://go.cms.gov/mirnghp> for Non-Group Health Plans*
2. If the BCRC has been alerted to a settlement, judgment, award, or other payment by the beneficiary or their representative before the usual CPL has been issued. (Continued on next slide)

## When a CPN Will Be Sent *(Situation 2 continued)*

- **Note:** *Currently, the BCRC sends a demand when it receives notice of settlement, judgment, award or other payment, however, with this new process, the BCRC will not send a demand but will send a CPN to allow the beneficiary and attorney to review the conditional payments. If there are claims not related to your case on the CPN, the beneficiary/attorney will need to follow current dispute procedures within a condensed timeframe printed on the Notice.*

## What does the CPN mean to you?

- In most cases, the Beneficiary and/or Representative will receive the Conditional Payment Notice (CPN) within 65 days of the issuance of the Rights and Responsibilities Letter. **Exception:** A CPN will be sent if the BCRC receives notification of a settlement from Section 111 reporting after the initial CPL is issued.
- After the Conditional Payment Notice (CPN) has been issued to the debtor and any authorized representatives, the BCRC will allow up to 30 days for a response.

A response to the CPN should include:

- All proof of representation documentation, if not already submitted.
- Proof of any items and/or services that are NOT related to your case, if applicable.
- All settlement documentation if you are providing proof of any items and/or services not related to your case.
- Procurement costs and fees paid by the beneficiary, if not already submitted.
- Documentation for any additional or pending settlements, judgments, awards, or other payments related to the same incident.

## Conditional Payment Notice (CPN)

- If a response is received within 30 days, the correspondence will be reviewed and a demand will be issued.
- If a response is **not** received within 30 days, a demand will automatically be issued requesting repayment of **all** conditional payments related to your case without a proportionate reduction for fees or costs, if this information has not already been submitted.

## Conditional Payment Notice (CPN) (Continued)

- Procurement costs and fees paid by the beneficiary are necessary to correctly calculate the demand amount.
  - **Note:** If the BCRC does not have this information, it cannot make a pro rata reduction to the conditional payment amount as set forth in 42 CFR 411.37.
- The total conditional payments may increase after the CPN is issued if Medicare paid for additional items and/or services related to your case.

# Overview of the Conditional Payment Notice (CPN) Process

If one of the situations below occur, then the following steps will take place.

1. If the BCRC is notified of a settlement, judgment, award, or other payment through Section 111 reporting rather than from the beneficiary or their attorney.
2. If the BCRC has been alerted to a settlement, judgment, award, or other payment by the beneficiary or representative before the usual CPL would have been issued.

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The BCRC identifies Medicare reimbursed claims related to the insurance/workers' compensation claim and issues CPN.



# Overview of the Conditional Payment Notice (CPN) Process



## Option 1 - Response



Beneficiary/Representative responds to the CPN with additional settlement information and may dispute claims included in the CPN. The BCRC will review.

## Option 2 – No Response



The BCRC does not receive a response/dispute to the CPN within 30 days.

## Overview of the Conditional Payment Notice (CPN) Process



**Response *cont.***



Once the CPN response/dispute is resolved, the BCRC identifies final conditional payment amount and a Demand Letter is issued.



**No Response *cont.***



If no response is received within 30 days of the issuance of the CPN, the BCRC will automatically issue a Demand Letter.

**Thank you for reviewing this presentation entitled  
“New Conditional Payment Notice (CPN)”**