

Medicare Secondary Payer and Certain Civil Money Penalties



Group Health Plan (GHP) Webinar

January 13, 2026

Presentation Overview



Reminders



Maintaining Compliance



CMP Correspondence



Questions & Answers

Reminders: Important Dates



October 11, 2024

CMP Final Rule applicable date and start of the “Compliance Clock”

**October 11,
2025**

- CMP “enforcement date”
- MSP occurrences dated on or after 10/11/2024 must be reported within 365 days

**February
2026**

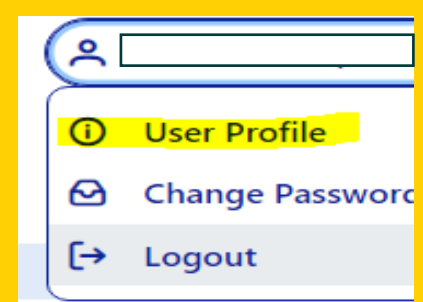
- Anticipated completion of 1st CMP audit
- Random sample of 250 new, accepted records from the 4th quarter of 2025 (after October 11th) proportionately representing GHP and NGHP records

**March
2026**

- Earliest mailing of Informal Notice, if a record is determined to be noncompliant

Reminders: RRE Contacts

Log into
COBSW, select
User Profile



Update Contact Information

- RREs will be held accountable should any CMP correspondence be missed due to inaccurate, outdated contact information.

CMP Mailings

- Sent to Account Representative (AR) of record.
- Account Manager (AM) receives copy.
- **Reporting Agents will not receive CMP correspondence.**

Contact Your EDI Representative

- To replace the named AR or AM.
- To update associated contact information.

RRE COBSW User Profile

- To update the AM contact information and RRE account information.
- Examples: address, phone, etc.

Maintaining Compliance: Timely Reporting



An RRE is considered to have reported timely, or is compliant with the Section 111 reporting requirements, if their record is reported within 365 days of:

- ✓ The effective date of the coverage, *OR*
- ✓ The date the individual became a Medicare beneficiary, whichever is later.

It is not the Reporting Agent's responsibility to ensure Section 111 records are submitted to CMS in a timely manner, if such a service is being used.



Maintaining Compliance:

Rejected Records

It is the RRE's Responsibility to:

- Contact the assigned EDI Representative,
- Determine the cause of the error, and
- Resubmit a corrected record within 365 days of the MSP occurrence.

Helpful Resources

- 9/10/2024- GHP Reporting Webinar slides presentation
- GHP User Guide

Maintaining Compliance: TIN File Corrections

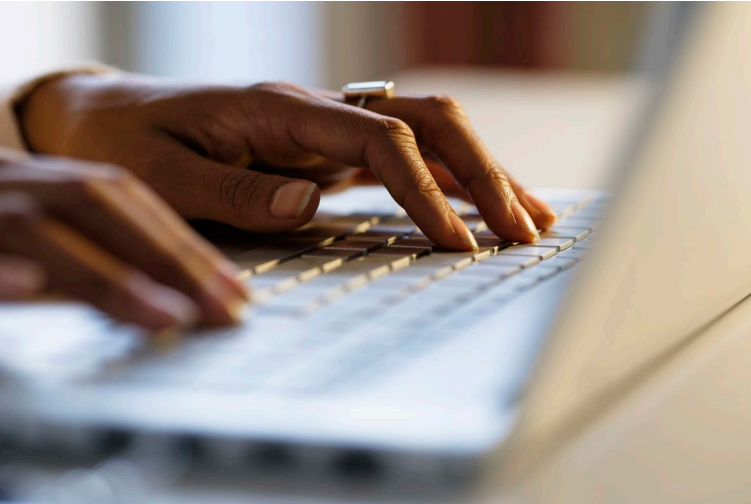
TIN errors delay the posting of records.

Invalid addresses are the most common reason for TIN errors and should be corrected in a timely manner.

MSP records tied to those corrected TIN records must be resubmitted.

- RREs are encouraged to pre-validate employer and Insurer/TPA addresses using postal software or online tools available on USPS webpages.
- The USPS must recognize employer and Insurer/TPA addresses.
- As much as possible, use USPS formats such as “RD” instead of “ROAD” and “STE” instead “SUITE.”

Maintaining Compliance: “Good Faith Efforts”



Resource Reminder:

The MBI/SSN Collection- GHP Model Language is available for download on CMS.gov

- ❑ The rule requires RREs to make 3 efforts to obtain required beneficiary information.
- ❑ Efforts can be in writing or by any other means.
- ❑ RREs should maintain records of any communication attempts, including dates and type of communication effort made.
 - If necessary, this can be provided as mitigating evidence to CMS, especially if the beneficiary or their representative declines to provide the requested information.

CMP Correspondence: General Reminders



CMP Workflow is available on CMS.gov and represents the process and correspondence RREs can expect.

Visit "GHP Civil Money Penalties" on the GHP Mandatory Insurer Reporting page

- ☐ CMS will only **contact** RREs if a **noncompliant record** is randomly selected during a quarterly audit.
- ☐ An identified noncompliant record will be separately addressed under its own cover.
- ☐ Official CMS and COB&R letterhead will be used.
- ☐ The AR on record will receive the mailing.
 - AM will receive a mailed copy.
 - ADs, if used, will not receive CMS correspondence.

CMP Correspondence: The 1st Notice

Informal Notice – Intention to Impose a Civil Money Penalty

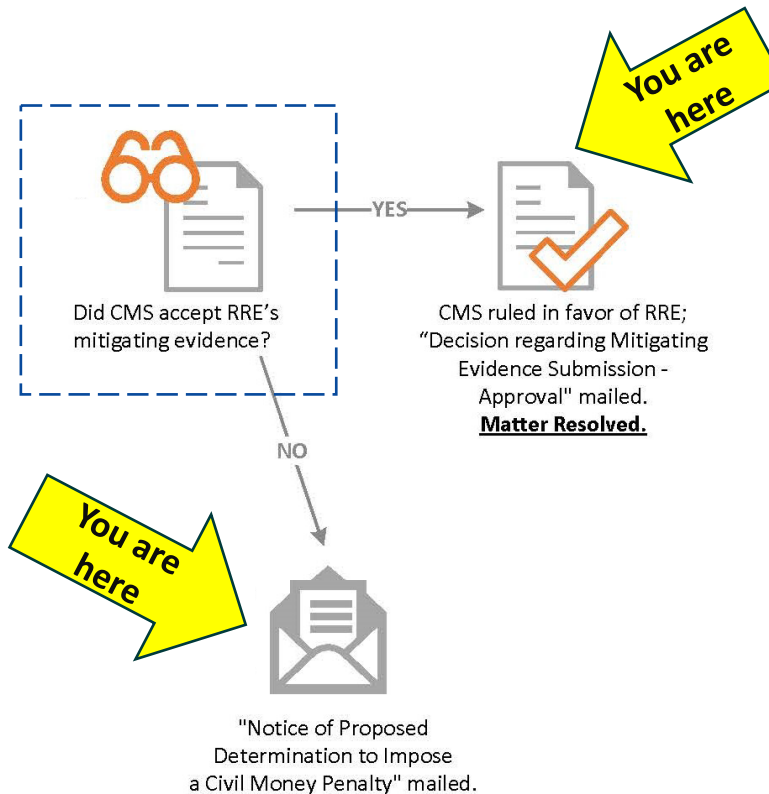


- Basis of CMS' determination and summary of noncompliant record.
 - Date of CMS Quarterly Audit = Applicable inflation adjusted rate
- Instructions on providing mitigating evidence related to technical or administrative issues resulting in noncompliance.
 - If RRE elects to submit this, CMS must receive response within 30 calendar days.

CMP Correspondence: The Next Notice Will Vary

Notice of Proposed Determination to Impose a Civil Money Penalty

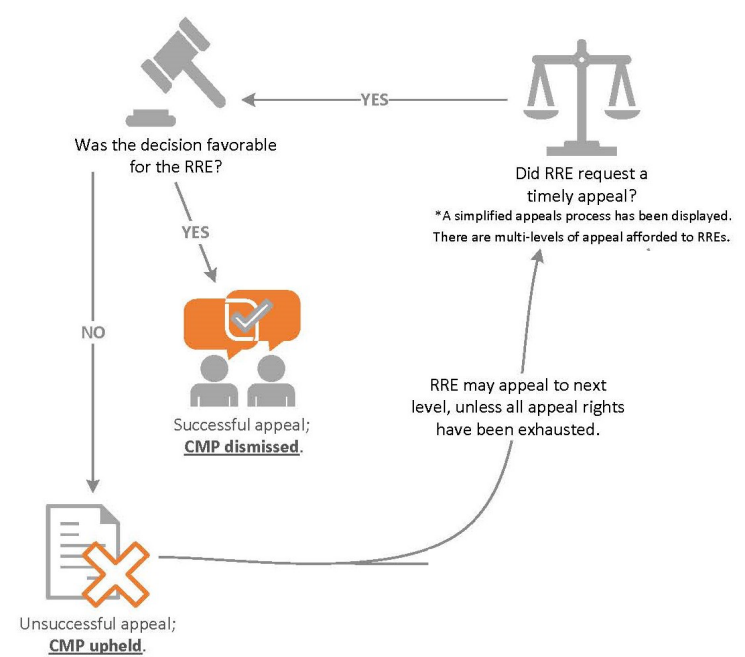
- Mitigating evidence was not submitted, was not received in time, **OR** was deemed insufficient.
- CMS proposes to issue a CMP.
- Appeal rights and instructions enclosed.



Decision Regarding Mitigating Evidence Submission - Approval

- CMS accepted the RRE's submission of mitigating evidence.
- A CMP will not be imposed; no additional action is required.
- Decision pertains only to RRE's noncompliant record identified in the Informal Notice.

CMP Correspondence and Appeal Rights: Brief Overview



The RRE has the right to:

Electronically request a hearing with an Administrative Law Judge (ALJ).

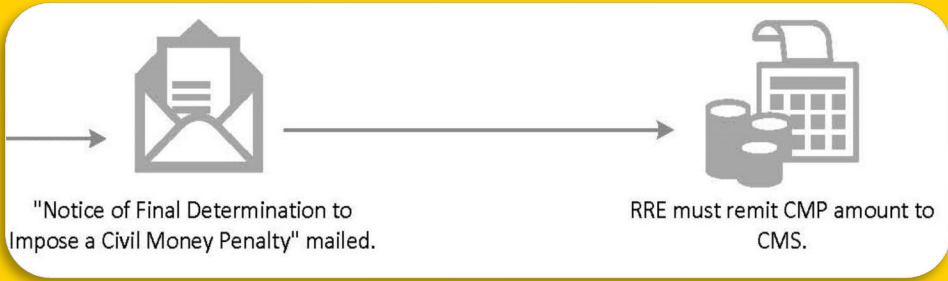
- Within 60 calendar days from receipt of Proposed Determination.

Appeal the ALJ's initial decision to the Departmental Appeals Board (DAB) Appellate Division (the Board).

- Within 30 calendar days of ALJ decision.

Petition for judicial review.

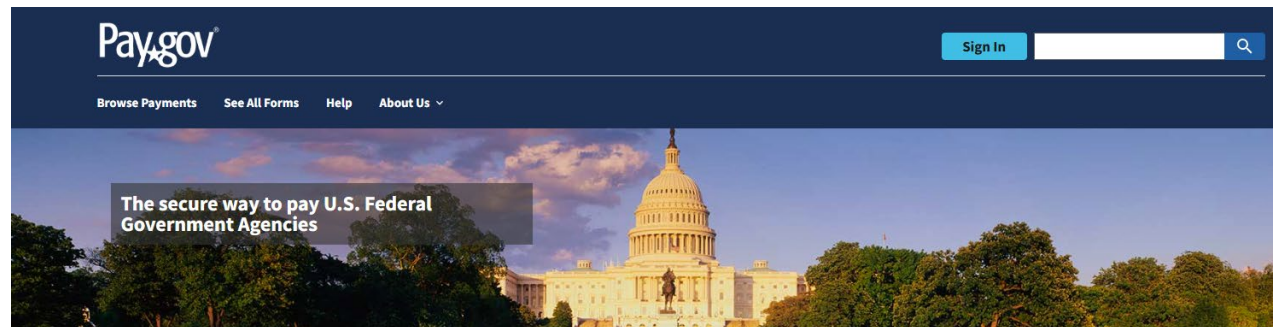
- Within 60 calendar days of the Board's decision, otherwise binding.



CMP Correspondence:

Notice of Final Determination to Impose a CMP

- The Final Determination is issued when the RRE:
 - did not file an appeal **OR**
 - exhausted all appeal rights.
- CMP is final.
- Payment is due within 60 days and is remitted via a Pay.gov *eBill*.
 - Instructions for account creation and payment process included.



Question and Answer Session



- ❖ Please complete the Poll Questions at the conclusion of the Webinar.

Questions and comments specific to CMPs should be directed to the CMS resource mailbox:

sec111cmp@cms.hhs.gov