

# Medicare Secondary Payer and Certain Civil Money Penalties



## *Group Health Plan (GHP) Webinar*

*January 13, 2026*

*Updated March 18, 2026:*

*Responses from the Question-and-Answer  
Session are included at the end of the Slide Deck.*

# 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**

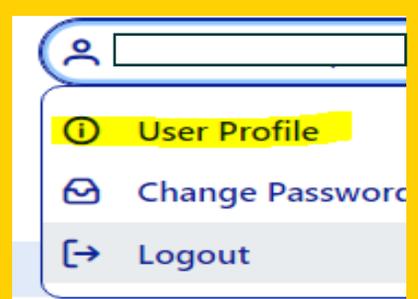
- Anticipated completion of 1<sup>st</sup> CMP audit
- Random sample of 250 new, accepted records from the 4<sup>th</sup> quarter of 2025 (after October 11<sup>th</sup>) proportionately representing GHP and NGHP records

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- RREs will be held accountable should any CMP correspondence be missed due to inaccurate, outdated contact information.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

# CMP Correspondence: General Reminders



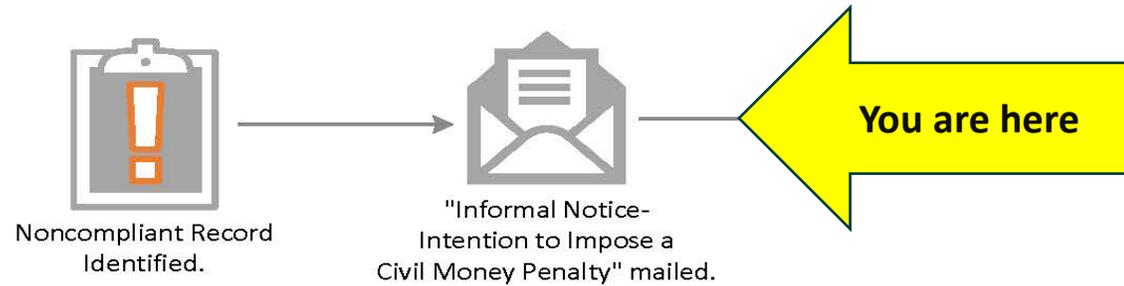
**CMP Workflow is available on CMS.gov and represents the process and correspondence RREs can expect.**

*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 1<sup>st</sup> Notice

## Informal Notice – Intention to Impose a Civil Money Penalty

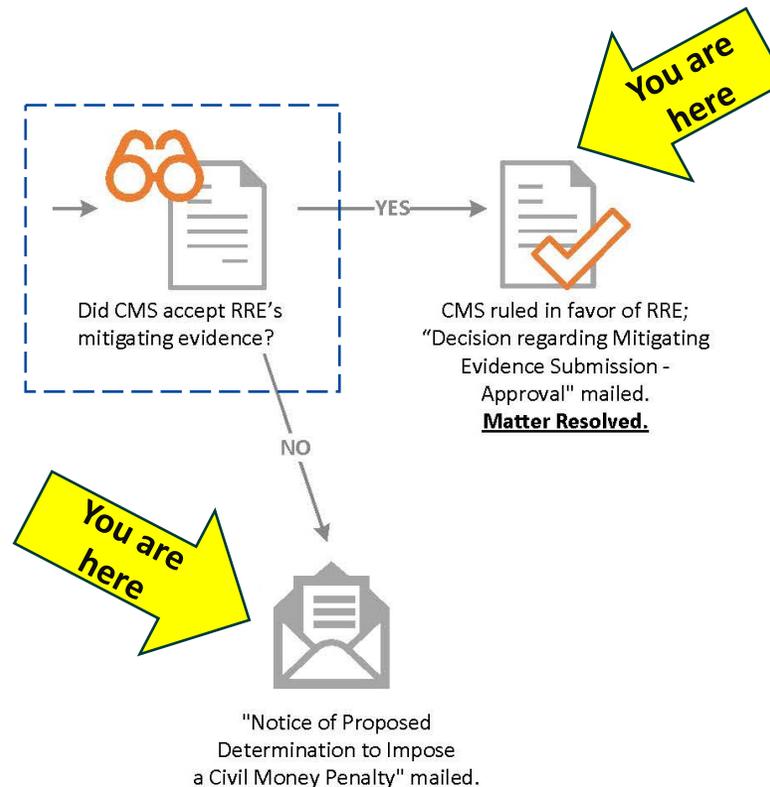


- Basis of CMS' determination and summary of noncompliant record.
  - Date of CMS Quarterly Audit = Applicable inflation adjusted rate
- Instructions on providing mitigating evidence related to technical or administrative issues resulting in noncompliance.
  - If RRE elects to submit this, CMS must receive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

# CMP Correspondence: The Next Notice Will Vary

## Notice of Proposed Determination to Impose a Civil Money Penalty

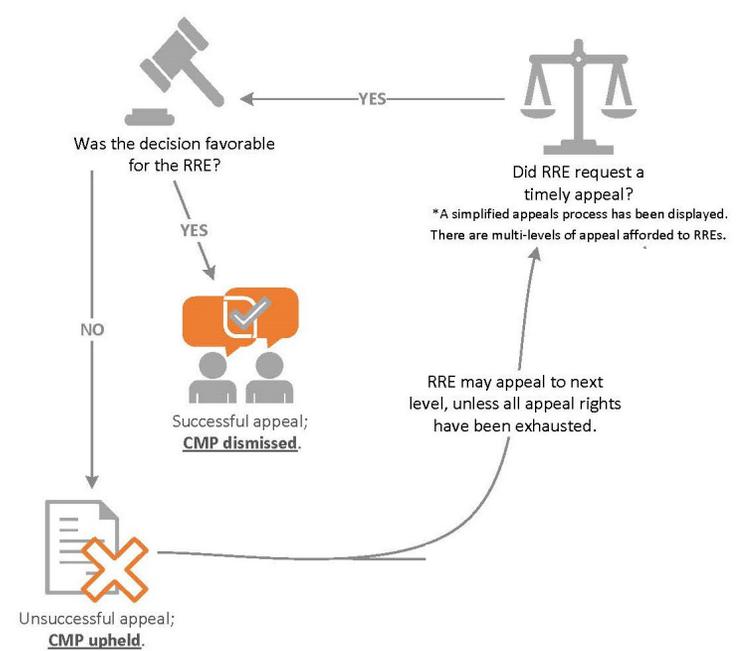
- Mitigating evidence was not submitted, was not received in time, **OR** was deemed insufficient.
- CMS proposes to issue a CMP.
- Appeal rights and instructions enclosed.



## 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.



"Notice of Final Determination to Impose a Civil Money Penalty" mailed.

RRE must remit CMP amount to CMS.

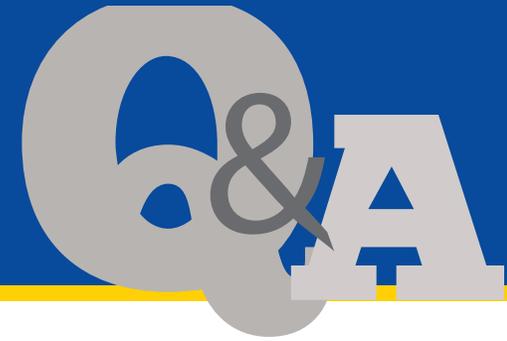
## CMP Correspondence:

# 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.



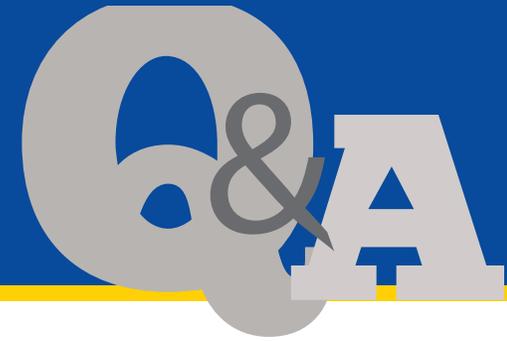
# Question and Answer Session



❖ The following slides contain consolidated questions and answers discussed during the 1/13/2026 GHP webinar.

- Questions and comments specific to CMPs should be directed to the CMS resource mailbox: [sec111cmp@cms.hhs.gov](mailto:sec111cmp@cms.hhs.gov)

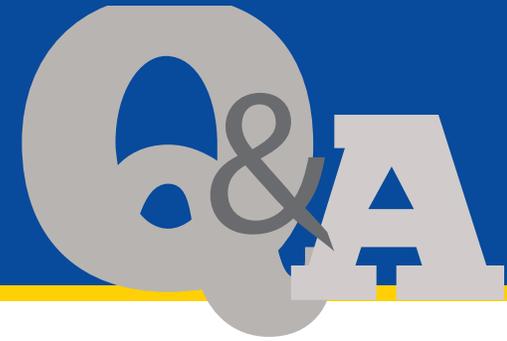
# Questions and Answers



**Q: Who is ultimately responsible for the CMPs?**

**A:** The Responsible Reporting Entity (RRE) is responsible for ensuring timely reporting and thus the RRE is the entity that will receive a CMP, if applicable. Entities that are employed by the RRE to effectuate reporting, or Third-Party Administrators, may be the RRE if they are responsible for adjudicating and paying claims. Similarly, in a self-insured and self-administered plan, the plan administrator is the RRE.

# Questions and Answers (2)



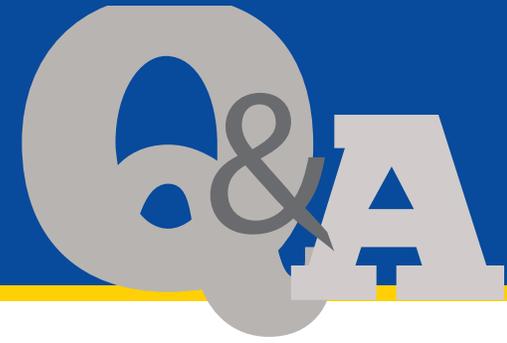
**Q: Does the daily penalty accrue during the appeal process?**

**A:** No. The number of days of identified noncompliance stops as of the date of the running of the audit report on which the noncompliant record was discovered. This ensures that the RRE is not penalized for the time it takes CMS to evaluate the record and send correspondence to the RRE.

**Q: Is there a cap on the CMPs for a record that is non-compliant?**

**A:** No. For a GHP entity, there is no cap on the penalty amount for a noncompliant record.

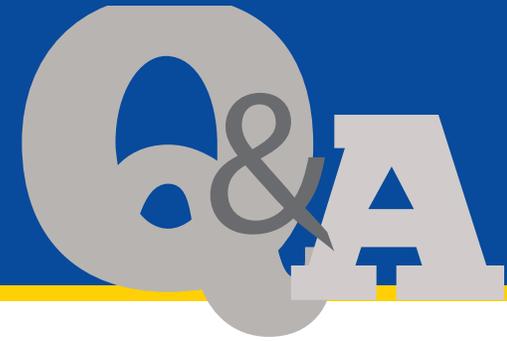
# Questions and Answers (3)



**Q: How will CMS send CMP correspondence and how may RREs respond?**

**A:** CMS is required to utilize USPS certified mail to send notice of potential CMPs, due to inclusion of PII and/or PHI in certain letters. While the letters cannot be sent via e-mail, the AR will receive an e-mail notification alerting them that a letter has been mailed, so that they can be on the lookout for any CMP correspondence.

# Questions and Answers (4)



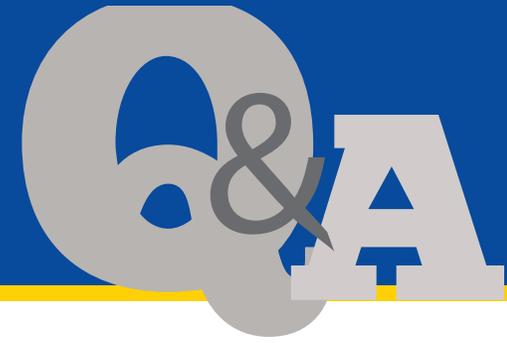
**Q: Does the “Good Faith Efforts” safe harbor apply to GHP RREs?**

**A:** No. While attempts made to obtain the beneficiary's identifying information should be retained and used as mitigating evidence if a record is audited, there is no enumerated "good faith effort" exception for GHP entities.

**Q: Will an RRE need to draft a letter to send along with their mitigating evidence and, if so, what needs to be included in this letter?**

**A:** CMS maintains that the RRE is welcome to send any information they believe will mitigate the possibility of receiving a CMP. There are no formal requirements as to what to include or how to format such a request. CMS will review any reasonable information submitted.

# Questions and Answers (5)



**Q: Will there be an outline or guide for what is acceptable as mitigating evidence?**

**A:** No. CMS is intentionally leaving this process open and without restrictions so that RREs are encouraged to provide any evidence, documentation, or explanation that they believe reasonably mitigates the imposition or amount of a CMP. CMS will review any supporting documentation provided and, if appropriate, begin a dialog with the RRE to further evaluate the evidence.