

What to Know About Conditional Payment Letters

What Is a Conditional Payment?

- A conditional payment is a payment that Medicare makes for services where another payer may be responsible. This conditional payment is made so that the beneficiary won't have to use their own money to pay the bill. The payment is "conditional" because it must be repaid to Medicare when a settlement, judgment, award or other payment is secured.
- If Medicare makes a conditional payment, and the beneficiary gets a settlement, judgment, award or other payment from an insurance company, Medicare will recover the conditional payment from the settlement. The beneficiary is responsible for making sure that Medicare gets repaid for the conditional payments.
- **Example:** Rose is driving her car when someone in another car hits her. Rose has to go to the hospital. The hospital tries to bill the other driver's liability insurer. The insurance company disputes who was at fault, and won't pay the claim right away. The hospital bills Medicare, and Medicare makes a conditional payment to the hospital for health care services that Rose received. Later, when a settlement is reached with the liability insurer, Rose makes sure that Medicare gets its money back for the conditional payment.

Conditional Payment Letter

- An initial Conditional Payment Letter (CPL) does NOT need to be requested. A CPL will be generated automatically within 65 days of the issuance of the "Rights and Responsibilities Letter"
- This allows all available medical claims to be retrieved.
- Conditional Payment Letters will go to all authorized parties.
- Additional requests for Conditional Payment Letters will not speed up the process.
- Normally if a Conditional Payment Letter has been sent, requests for an updated CPL can only be processed every 90 days after last CPL was issued. If settlement occurs within 30 days an updated CPL can be requested.

Conditional Payment Letter (*continued*)

- Review the Conditional Payment Letter thoroughly to make sure that only case related claims are included.
- Up-to-date Conditional Payment amounts can be accessed on the [MyMedicare.gov](https://www.medicare.gov) website (*attorneys will need to gain access through their client*).
- If authorization is not on file with the Benefits Coordination & Recovery Center (BCRC), the beneficiary will receive the letter and their attorney and/or representative must obtain a copy through the beneficiary.

Final Demand Letter

- Once case has settled, the settlement documentation must be sent in to the BCRC.
- The BCRC generates a final demand letter when they receive the settlement information.
- Payment is due within 60 days of the date of the demand letter.
- If payment is not received within 60 days of the date of the demand letter, interest will be charged from the date of the demand letter.

Thank you for reviewing our presentation entitled:

*What to Know About
Conditional Payment Letters*