

Medicare Mandatory Insurer Reporting Advisory

The Travelers Companies, Inc. is ready to serve and partner with you!

To Our Valued Customers, Agents and Brokers:

The attached Advisory is the second in a series of updates regarding the recent changes to the Medicare Secondary Payer Act (MSP Act), as amended by Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA). While this amendment does not change any existing Medicare requirements, it does require the Responsible Reporting Entity (RRE) to identify Medicare beneficiaries, and to report certain data to the Centers for Medicare & Medicaid Services (CMS) with respect to those beneficiaries.

This advisory is intended to help our customers who meet CMS' definition of a Responsible Reporting Entity (RRE) to fulfill their obligations to register as the RRE and to assist in the registration process. Registration is the first of a number of required steps that will prepare our customers to meet their reporting obligations, and we are fully prepared to assist you in this and every requirement under the MSP Act.

In addition, please keep the following facts in mind as you review the attached advisory:

1. **For our guaranteed cost auto, liability and workers compensation customers, Travelers is the Responsible Reporting Entity.** We have been working closely with CMS for months and are confident that we are taking all the necessary steps to meet our reporting obligations well in advance of the federal requirements. Please be advised that if you fail to report a claim and/or self-pay the claim you are the RRE and subject to Medicare fines.
2. **For our deductible accounts and retrospectively-rated policy customers where Travelers is the insurer, Travelers is the Responsible Reporting Entity.** As a Travelers insured under these special programs, you can rely upon Travelers to register as the RRE and report qualifying claims to Medicare. Please be advised that if you fail to report a claim and self-pay the claim under any portion of a deductible you are the RRE and subject to Medicare fines.
3. **For our self-insured customers, the customer is the Responsible Reporting Entity.** The attached document provides greater detail about how this requirement is defined and spells out timelines and necessary steps for you to take to meet the new requirements. Constitution State Services is prepared to act as your Reporting Agent and meet your reporting needs.

4. **For other cost-sharing arrangements and/or where Constitution State Services is the Third Party Administrator for our customers** where another carrier is involved, there may be some analysis needed as to who the reporting entity is under the new regulations. In these cases, **the broker who designed the insurance program should lead the analysis of identifying the Responsible Reporting Entity**, but please engage us in your discussions to help you in this analysis because we are fully prepared to act as the Reporting Agent following the appropriate determination.

We have been sending individual correspondence and instructions to those accounts we believe will be the RRE under their self-funded deductible or self-insurance program. This letter will provide greater detail on the registration process, including specific information for naming CSS as the Reporting Agent. If you have not yet received such correspondence and believe you may be the RRE, please contact us right away.

And, as all of you know, CMS continues to review, refine, and change these mandatory reporting requirements. While it is not yet possible to foresee the ramifications to the property casualty industry, loss costs, and settlement aspects of claim management, we will continue to monitor these issues closely and will begin our analysis on these effects as these requirements are implemented over the next few months.

Many thanks to everyone who attended our record attendance setting March 12, 2009 Webinar, "Meeting the Challenge of Medicare – New Mandatory Reporting Requirements". For those of you who were unable to attend, this webinar was recorded and can be viewed by accessing the following link,
mms://travelers.wm.internapcdn.net/travelers_vitalstream.com/ClaimMarketing/ClaimU_Webinars/2009.03.12.Meeting.Challenge.of.Medicare.Mandatory.Reporting.Requirements.wmv

We cannot overemphasize the importance of your continued engagement on this topic, staying familiar with the requirements and how it affects your business. The latest version of our Advisory and various specific updates will be always available on our website at <http://www.travelers.com/Claim/webinars.aspx>.

We would be pleased to answer any questions you have and will be glad to assist you in determining who the responsible reporting entity will be under any insurance program. If you have any questions at all regarding these challenging issues, please contact:

- Julie Morgan – JMORGAN1@travelers.com or 925-945-4497
- Eric Belk – EBELK@travelers.com or 443-353-2196
- Jon Gice – JGICE@travelers.com or 860-277-0461

Thank you!