

# Client Alert

October 2011

## CMS Increases MMSEA Section 111 Threshold Dollar Exemptions

We previously have written as to MMSEA Section 111 mandatory reporting requirements, pursuant to which companies and insurers must report to the Centers for Medicare and Medicaid Services (“CMS”) payments made in resolution of claims relating to an illness, injury or accident if the claimant receives Medicare benefits. These reporting requirements are now effective and applicable payments made on or after October 1, 2011 must be reported in the first quarter of 2012 (January – March 2012).

Since the passage of Section 111, CMS has experienced difficulty in implementing the mandatory reporting requirements, having repeatedly extended the effective date of the reporting requirements and entities have struggled to understand compliance with the regulations in light of the incomplete and complicated guidance provided by CMS.

On September 30, 2011, CMS once again amended its regulations under Section 111 with a significant change to the threshold dollar exemptions during the first year of reporting. Previously, payments of \$5,000 or less made prior to January 1, 2013 were exempt from reporting. The September 30 CMS Alert advises that payments of \$100,000 or less made prior to March 31, 2012 are exempt from reporting; payments of \$50,000 or less made from April 1, 2011 to June 30, 2012 are exempt from reporting; and payments of \$25,000 or less made from July 1, 2012 to September 30, 2012 are exempt from reporting. Thereafter, the threshold exemptions remain at their previous levels: payments of \$5,000 or less made from October 1, 2012 to December 31, 2012 are exempt from reporting; payments of \$2,000 or less made from January 1, 2013 to December 31, 2013 are exempt from reporting; and payments

of \$600 or less made from January 1, 2014 to December 31, 2014 are exempt from reporting. No threshold exemption applies after December 31, 2014.

Those entities registered and prepared to report using the CMS database may still do so for exempt payments as CMS will accept optional submissions. CMS welcomes and encourages such voluntary reporting.

The September 30, 2011 Alert may be found at: <https://www.cms.gov/MandatoryInsRep/Downloads/ExposureIngImplant.pdf>.



If you would like more information regarding MMSEA’s Reporting Requirements or the topics discussed in this Client Bulletin, review our earlier bulletins<sup>1</sup> or contact:

Christopher R. Christensen, Esq.  
Allison M. Surcouf, Esq.  
Condon & Forsyth LLP  
7 Times Square  
New York, New York 10036  
Tel: (212) 894-6700  
Fax: (212) 370-4453  
E-mail:  
[cchristensen@condonlaw.com](mailto:cchristensen@condonlaw.com)  
[asurcouf@condonlaw.com](mailto:asurcouf@condonlaw.com)

<sup>1</sup> “Additional Responsibilities for Those Liable to Medicare Beneficiaries” <http://condonlaw.com/newsletters/cbaug2009.pdf>;  
“Section 111’s New Direct Data Entry Option for Small Reporters” <http://condonlaw.com/newsletters/cAjune2010%202.pdf>;  
“Section 111 Mandatory Reporting Extended” <http://condonlaw.com/newsletters/cbnov2010.pdf>.