



Financial Services Group

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ALERT

2016 Recovery Thresholds for Certain Liability Insurance, No-Fault Insurance, and Workers' Compensation Settlements, Judgments, Awards or Other Payments

As required by section 1862(b) of the Social Security Act, the Centers for Medicare and Medicaid Services (CMS) has reviewed the costs related to collecting Medicare's conditional payments and compared this to recovery amounts.

As of the date of this alert and for the remainder of 2016, CMS will maintain the \$1,000 threshold for physical trauma-based liability insurance (including self-insurance) settlements. CMS will also implement a \$750 threshold for no-fault insurance and workers' compensation settlements, where the no-fault insurer or workers' compensation entity does not otherwise have ongoing responsibility for medicals.

This means that entities are not required to report, and CMS will not seek recovery on settlements, as outlined above. Please note that the liability insurance (including self-insurance) threshold does not apply to settlements for alleged ingestion, implantation or exposure cases.

Information on the methodology used to determine the threshold is provided at <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Non-Group-Health-Plan-Recovery/Downloads/Computation-of-Annual-Recovery-Thresholds-2016.pdf>