

The True Cost of Reporting

By Glenn Simpson and Paul Masterson

In order to comply with the mandates of Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), it is necessary for organizations that are subject to the Mandatory Insurer Requirements (MIR) to determine the manner in which the logistical aspects of the reporting will be fulfilled. As is well-known at this point, an "Applicable Plan" of insurance (including self insurance), no-fault and workers' compensation is considered to be a Responsible Reporting Entity (RRE) and must report settlements involving Medicare beneficiaries to CMS. The reporting protocols are quite specific and complex.

An RRE will need to evaluate whether or not the responsibility is to be managed internally or through the retention of a qualified agent. If the decision is made to handle all of the reporting in-house, the analysis will of course commence with the threshold issue of establishing, implementing and maintaining the appropriate data system to transmit reports to CMS. This might be accomplished through the modification of existing systems or the creation of a new system that will collect electronic information from different systems.

If an agent is retained, the RRE will need to discern the nature and extent of the services the agent will provide for data collection and transmission. If the

RRE retains the responsibility to collect the data, then the transmission of that data to the agent for perfunctory filing with CMS might be considered to be a pass-through, lacking associated quantitative or qualitative enhancement.

Secondly, the issue of staffing requirements will need to be analyzed. If done internally, the RRE will need to decide whether to hire additional staff to handle the increased workload or to spread the responsibilities to existing staff. There are actual costs associated with the recruitment, training and retention of staff. This can be compared and contrasted with the utilization of the resources of an agent to supply the necessary staff requirements to handle Section 111 reporting and thus obviating the need for the RRE to add FTEs.

Some entities providing agent services indicate that there is no charge to the RRE for handling Section 111 reporting. In those instances, it would be prudent for the RRE to discern the exact nature and extent of the services that the ostensible servicing agent would provide.

If in fact the agent will merely absorb the transmission of data from the RRE and communicate it to CMS, then the obligation to collect the data still rests within the RRE. The RRE will therefore still have the responsibility to find qualified staff to meet this workload.

The issue is perhaps exacerbated if the RRE has reached the prudent conclusion that mere data transfer, whether done in-house or via external resources, will not account for a substantive clinical and claims analysis of the data. This enhances the risk of non-compliance as to CMS mandates as well as exposure to ancillary risk issues associated with faulty reporting. For instance, reporting of inaccurate or superfluous injury codes to any one of the 19 data fields on a Section 111 report can jeopardize benefits to the beneficiary in the underlying claim and can lead to litigation by the beneficiary on the issue of negligent reporting.

Analysis of compliance with this important federal law will therefore consider the true costs of development of data resources and human resources. This will of necessity include a determination of the appropriate skill sets and compensation levels of staff assigned this responsibility. This analysis will be important whether reporting is done internally or externally. Thus, the RRE might inquire if "free" Section 111 reporting is actually without cost.

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