

# 03.05.14

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## Medicare Set-Aside Update

On February 18, 2014, Medicare issued two alerts regarding a Change in Reporting Thresholds for Certain Liability Settlements, Judgments, Awards or Other payments.

Effective immediately, Medicare has increased the reporting threshold for physical trauma-based liability insurance settlements from \$300 to \$1000. This means that physical trauma-based settlements of \$1000 or less do not need to be reported and recovery of Medicare's conditional payment amount from these settlements will not be pursued.

This revised threshold does not apply to settlements for alleged ingestion, implantation or exposure cases.

For reporting purposes, settlement includes not only settlements but also judgments, awards and other payments.

The content of the alert revising the threshold amount supersedes the content of the existing Medicare Secondary Payer Mandatory Reporting Non-Group Health Plan User Guide (Version 4.1) and will be incorporated into the next User Guide version.

The revised threshold was reached following the review of costs related to collecting data and determining the amount of Medicare's recovery claim as required by Section 202 of the Strengthening Medicare and Repaying Taxpayers Act of 2012 (SMART Act).