

**Company Contact**

Tracy Mock
847-543-1681
tmock@avizentrisk.com

Media Contact

Joy Scott
818-610-0270
joy@scottpublicrelations.cc

Companies Brace for New SCHIP Laws Slated for July 1, 2009

Avizent's In-House Medicare Expertise Helping Clients Create Penalty-Proof Programs

COLUMBUS, Ohio (February 24, 2009)—On July 1, 2009, the Medicare, Medicaid and State Children's Health Insurance Program (SCHIP) Extension Act will bring new electronic reporting requirements for non-group health claims, including workers' compensation, liability and no-fault claims. The legislation mandates quarterly claims reporting and penalties for late reporting of \$1,000 per day, per file not in compliance.

The sweeping changes will affect millions of claims each year, and businesses nationwide are scrambling to develop the programs and systems to help them ensure compliance and avoid fines. Options to ensure compliance include building Medicare reporting expertise in-house, hiring an outside service provider specializing in Medicare Set-Aside (MSA) programs, or using consultants. No matter what option a company may choose, it's important they act soon. With final guidance on requirements not expected until May or June, waiting to build that expertise or relying on others may place many companies in jeopardy of non-compliance.

"The key is to find providers that already have the expertise and that have trained their internal claims staff to be ready for the new changes on day one," explained John D'Alusio, Avizent's Executive Vice President of Claims. "Avizent is well aware of the pending legal requirements. We have already added the data fields to our claims system that will help us to ensure reporting compliance with the three dozen data elements that are identified in the Act."

Beyond just ensuring claims are coded properly, D'Alusio points out that there are many other potential pitfalls for employers. For example, if a report is filed with anyone who is Medicare entitled, the new SCHIP law immediately comes into play. "Even if you didn't realize you had an employee who qualified under the SCHIP, you could still get penalized," he notes. "That's why it's critical to have vendor partners that know and understand the law, and are prepared to help you implement penalty-proof programs."

Whether using a vendor, consultant or training internal staff, D'Alusio recommends that companies begin training now, and not wait until May or June. He also stresses several key points regarding training:

- § The new Medicare and SCHIP laws are now elemental parts of professional claims adjusting – similar to investigating and reserving. Additional updates to this legislation are likely over the next several months, so it is important to stay current with the requirements and incorporate updates into ongoing training as needed.
- § Be sure claims adjusters understand the importance of timely and accurate determination of the Medicare entitlement status on each claim.
- § As part of your preparations, make sure your vendor or consultant has access to current Social Security Administration data and that updates are immediately uploaded to the claims system.
- § Analyze the costs of insourcing and outsourcing, as well as consulting fees. Factor in elements such as time required for training internal staff and other expenses. Look for vendors that offer their SCHIP expertise as a part of the services they already provide. Be wary of MSA vendors that offer "free training" – some may be promoting this as a strategy to market other services.

“We believe that organizations that have experience and have already trained their own internal staff in the new requirements will ultimately provide the best value to businesses today,” said D’Alusio. “This is a critical change in the way employers handle work comp and other claims. While it is important to be aware and properly prepared, there is no reason to fear this new Act.”

D’Alusio is recognized as one of the nation’s top experts in Medicare Set-Aside Allocation, and Medicare, Medicaid and SCHIP laws. With his expertise, Avizent’s team of experienced claims specialists will be ready to meet the upcoming requirements of the Medicare and SCHIP legislation.

About Avizent

Avizent, based in Columbus, Ohio, is one of the fastest growing national risk management providers of claims management, medical managed care, self-insured groups, alternative risk financing and RMIS software. The company employs nearly 800 associates throughout the United States. For additional information, visit the Avizent website at www.avizentrisk.com or call 888-646-9675.

###