



# Conditional Payment Notice (CPN)



# Conditional Payment Notice (CPN) - What is a CPN?

- A CPN is issued in lieu of a Conditional Payment Letter (CPL) in certain circumstances when a settlement, judgment, award or other payment has already occurred.
- A CPN provides conditional payment information AND tells you what actions must be taken because the MSPRC has been notified of a settlement, judgment, award or other payment.

# When a CPN Will Be Sent

There are two instances when this letter will be issued in place of the usual Conditional Payment Letter (CPL). They are:

1. If the MSPRC is notified of a settlement, judgment, award, or other payment through Section 111 reporting rather than from the beneficiary or their representative. *For further information on Section 111 reporting go to [www.cms.gov/mandatoryinsrep](http://www.cms.gov/mandatoryinsrep)*
2. If the MSPRC has been alerted to a settlement, judgment, award, or other payment by the beneficiary or their representative before the usual Conditional Payment Letter (CPL) has been issued. (Continued on next slide)

## When a CPN Will Be Sent (*Situation 2 continued*)

Note: *Currently, the MSPRC sends a demand when it receives notice of settlement, judgment, award or other payment, however, with this new process, the MSPRC will not send a demand but will send a Conditional Payment Notice to allow the beneficiary and attorney to review the conditional payments. If there are claims not related to your case on the Conditional Payment Notice, the beneficiary/attorney will need to follow current dispute procedures within a condensed timeframe printed on the Notice.*



# What does the CPN mean to you?

- In most cases, the Beneficiary and/or Representative will receive the Conditional Payment Notice (CPN) within 65 days of the issuance of the Rights and Responsibilities Letter. Exception: A CPN will be sent if the MSPRC receives notification of a settlement from Section 111 reporting after the initial CPL is issued.
- After the Conditional Payment Notice (CPN) has been issued to the debtor and any authorized representatives, the MSPRC will allow up to 30 days for a response. A response to the CPN should include:
  - All proof of representation documentation, if not already submitted.
  - Proof of any items and/or services that are NOT related to your case, if applicable.
  - All settlement documentation if you are providing proof of any items and/or services not related to your case.
  - Procurement costs and fees paid by the beneficiary, if not already submitted.
  - Documentation for any additional or pending settlements, judgments, awards, or other payments related to the same incident.

# Conditional Payment Notice (CPN)

- If a response is received within 30 days, the correspondence will be reviewed and a demand will be issued.
- If a response is not received within 30 days, a demand will automatically be issued requesting repayment of **all** conditional payments related to your case without a proportionate reduction for fees or costs, if this information has not already been submitted.



# Conditional Payment Notice (CPN) (Continued)

- Procurement costs and fees paid by the beneficiary are necessary to correctly calculate the demand amount.
  - NOTE: If the MSPRC does not have this information, it cannot make a pro rata reduction to the conditional payment amount as set forth in 42 CFR 411.37.
- The total conditional payments may increase after the CPN is issued if Medicare paid for additional items and/or services related to your case.

# Overview of the Conditional Payment Notice (CPN) Process

If one of the situations below occur, then the following steps will take place.

1. If the MSPRC is notified of a settlement, judgment, award, or other payment through Section 111 reporting rather than from the beneficiary or their attorney.
2. If the MSPRC has been alerted to a settlement, judgment, award, or other payment by the beneficiary or representative before the usual Conditional Payment Letter would have been issued.

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MSPRC identifies Medicare reimbursed claims related to the insurance/workers' compensation claim and issues Conditional Payment Notice(CPN).

# Overview of the Conditional Payment Notice (CPN) Process

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## Option 1 - Response



Beneficiary/Representative responds to the Conditional Payment Notice with additional settlement information and may dispute claims included in the CPN. The MSPRC will review.

## Option 2 - No Response



The MSPRC does not receive a response/dispute to the Conditional Payment Notice within 30 days.

# Overview of the Conditional Payment Notice (CPN) Process



**Response *cont.***



Once the Conditional Payment Notice response/dispute is resolved, MSPRC identifies final conditional payment amount and a Demand Letter is issued.



**No Response *cont.***



If no response is received within 30 days of the issuance of the Conditional Payment Notice, the MSPRC will automatically issue a Demand Letter.

Thank you for reviewing this presentation entitled  
“New Conditional Payment Notice (CPN)”