



Medicare, Medicaid & SCHIP Extension Act of 2007 Customized Solutions for Complex Challenges

Date: April 17, 2009

ESIS understands your concerns surrounding the new Medicare mandatory reporting obligations. This legislation is multifaceted and requires strict conformance to complex requirements. Be assured, ESIS is ready and able to help you comply with the requirements of this legislation. In fact, we have already taken some important steps to ensure we provide our clients with the help they need.

The Legislation

Section 111 of the Medicare, Medicaid & SCHIP Extension Act of 2007 (MMSEA) mandates reporting of certain information to the Centers for Medicare & Medicaid Services (CMS). If you are one of the following, you may be required to register as a Responsible Reporting Entity (RRE):

- A client that self-funds its deductible
- A client that is self-insured

CMS Releases User Guide

In March 2009, CMS released its User Guide. This publication provides an overview of the legislation as well as critical information and technical guidance regarding the reporting requirements. To access the User Guide, go to <http://www.cms.hhs.gov/MandatoryInsRep/>

ESIS Selects Its Reporting Agent

After careful consideration of available options for a vendor/partner, ESIS is pleased to announce that we have selected PMSI Settlement SolutionsSM as our exclusive reporting agent. PMSI is a leader in data capture from payers for state governmental reporting and receives high marks for its consistency and accuracy of governmental reporting.

PMSI will provide ESIS clients with technology resources needed to meet reporting obligations, including:

- Data capture
- Establishment of beneficiary status
- Reporting to CMS
- Verification of conditional payments
- Allocation for future medical

Responsible Reporting Entities Must Register Beginning May 1, 2009

The Centers for Medicare & Medicaid Services requires Responsible Reporting Entities (RREs) to report certain information that provides for coordination of pre-payment and post-payment benefits.

If you are an RRE, you must register with Medicare between May 1 and June 30, 2009.

As an ESIS client, on claims ESIS manages for you, you can leverage our in house reporting capabilities through PMSI, and PMSI can assist you in the registration process.

You may be required to register as an RRE if you are one of the following:

- A client that self-funds its deductible
- A client that is self-insured

You should check with your insurance carrier about your RRE status and obligations. Additional information regarding mandatory reporting under Section 111 can be found at

<http://www.cms.hhs.gov/MandatoryInsRep/>

Registration and Account Setup Process

Section 111 registration and account setup is a five step process.

- Step 1: Identify an Authorized Representative, Account Manager and other users of Coordination of Benefits Software (COBSW)
- Step 2: Determine Reporting Structure
- Step 3: RRE Registration on the COBSW
- Step 4: RRE Account Setup on the COBSW – Account Manager
- Step 5: Return Signed RRE Profile Report – Authorized Representative

For details, please refer to MMSEA, Section 111, 8.2.

More Information

ESIS is committed to effectively communicating with our clients throughout the CMS implementation period. Our subject matter experts and our PMSI partner will conduct webcasts to communicate vital information and answer your questions.

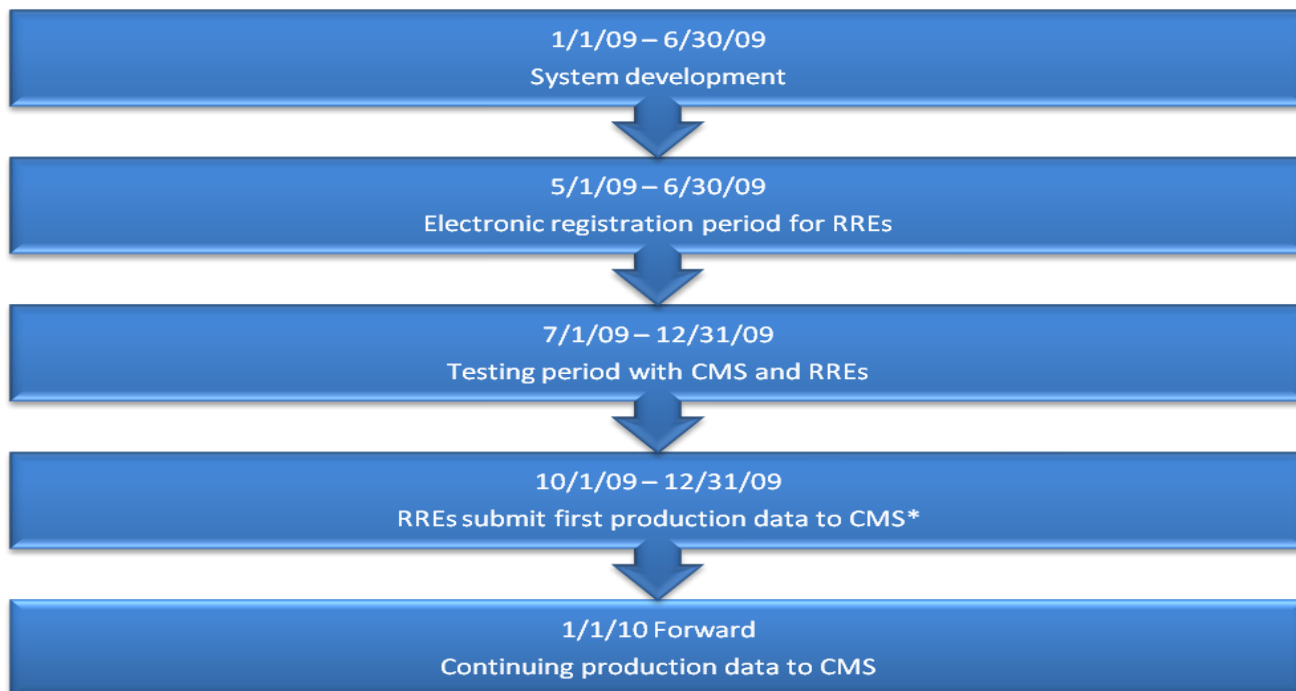
ESIS' first webcast is scheduled for Monday, April 27, 2009 at 1 p.m. EST. You will receive a registration link within the next few days.

PMSI has provided customer service contact information. The following will be available to ESIS clients approximately one week prior to May 1, 2009:

888-850-4161

Hours 8 a.m. to 8 p.m. Eastern Time
justregister@pmsisettlement.com

CMS Time Line for Implementation



**RREs are required to begin live production submission no later than their assigned submission window in the January – March Quarter of 2010. However, if an RRE completes their testing before January 2010, they may begin to submit live production files in the 4th Quarter of 2009.*

QUESTIONS: CALL YOUR ESIS CLIENT SERVICES REPRESENTATIVE

For more information on how to register, please go to

<http://www.cms.hhs.gov/MandatoryInsRep/>