



May 4, 2009

Dear Valued Client,

The 5/1/09-6/30/09 registration period for CMS' Mandatory Insurer Reporting (MIR) directives per Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) required by employers for reporting liability insurance (including self-insurance), no-fault insurance and workers' compensation has arrived. TRISTAR has been providing continuous updates to our clients through bulletins and letters so that you gain an understanding and are prepared for this new process. Copies of these bulletins and letters can be found on our website at www.tristarrisk.com.

The Section 111 reporting requires us to maintain and track data that had previously not been required in the normal course of claims management. As such, our I.T. Department has completed significant programming changes to our claims system and established a reporting interface to CMS (Centers for Medicare and Medicaid Services). TRISTAR is committed to maintaining compliance for our clients and we have deployed additional internal resources responsible for maintaining the integrity of the data and the CMS reporting process. We felt it was important to implement a reporting process that had minimal impact on our claims staff so that they are able to continue focusing on their top priority, managing your files.

Our internal implementation team will be ready to meet the MIR and MMSEA requirements to include:

- Monthly query to CMS to determine whether the injured party is a Medicare beneficiary. The query will include any claim that was in open or re-opened status on or after 1/1/09, and did not settle with future medicals closed prior to 7/1/09.
- Flag all claims determined to be Medicare eligible or Medicare recipients
- Track and submit information to CMS regarding Ongoing Responsibility for Medical Payments
- Track and submit information to CMS regarding Total Payment Obligation to the Claimant.
- Retain all data elements submitted to CMS.

To further support our clients, we have established an email address for direct access to our implementation team at SCHIP.Support@tristargroup.net.

Under our current contracts, we do not have the authority to act as your Reporting Agent. For our contractual purposes, all we require is for you to sign this letter below and return a copy for our files. The fee associated with the mandatory reporting will be a one time per claim fee of \$7.85. The fee will be charged to each file required in the initial query to CMS of claims open or opened on or after 1/1/09. The fee will cover the query process and any and all subsequent reporting to CMS for the life of the



claim and/or the duration of our relationship as your claims administrator. If you plan to use a Reporting Agent other than Tristar, or if you would like to arrange for an unallocated flat annual fee versus an allocated claim expense, please contact either Shana Barrowclough or Tom Veale as below:

Shana Barrowclough
Vice President, Claims Operations
shana.barrowclough@tristargroup.net
562-495-6600 Ext. 2158

Tom Veale
President
tom.veale@tristargroup.net
562-495-6600 Ext. 1043

Thank you for your assistance in this matter.

Sincerely,

Shana Barrowclough
TRISTAR Risk Management
100 Oceangate, Suite 700
Long Beach, Ca. 90802
Phone 562-495-6600 Ext. 2158
Fax 562-432-8619

I authorize TRISTAR to act as our reporting agent for the purposes of the MMSEA Section 111 reporting and to apply an allocated expense against each claim file as outlined in the above letter.

By: _____

Title: _____

Organization Name: _____

Date: _____

Signature: _____