

# Conditional Payments



## **CONDITIONAL PAYMENT NOTIFICATION (CPN)**

A Conditional Payment Notification is used in lieu of a Conditional Payment Letter when a settlement, judgment, award, or other payment has already occurred when the case is first reported.

After the CPN has been issued the recipient is allowed 30 days to respond. If the response is received within 30 days, a Demand Letter will be issued. If no response is received within 30 days, a demand will automatically be issued requesting repayment on all Conditional Payments related to the case without a proportionate reduction for fees or costs.

## **CONDITIONAL PAYMENT LETTER (CPL)**

Each party to the settlement of a personal injury claim of a Medicare beneficiary has an obligation to reimburse any payment made by Medicare for treatment of an injury involved in the claim. Those payments by Medicare are referred to as "Conditional Payments," since the payment is made on the condition that it will eventually be reimbursed.

Medicare does not pay for items or services when payment has been made or may reasonably be expected to be made under a workers' compensation, liability or no-fault plan or policy. Medicare may make a conditional payment for medical treatment when the primary payer fails to make payment.

Once Medicare becomes aware of the existence of a claim, it investigates to determine if any Medicare payments were made to treat the claim injury.