



MEDI-CAL LIEN PROCEDURES

1. Opening up a case file

To inform Medi-Cal of the existence of a case, go to http://www.dhcs.ca.gov/services/Pages/TPLRD_PersonalInjuryUnit.aspx. Click on the **Online Forms** link at the bottom of the page, then the **Attorney Referral** link and provide the requested information. It will then take up to 120 days for Medi-Cal to respond in writing.

2. Reporting a settlement

If a case has settled, go back to the same website, then to **Online Forms** and **Report a Settlement**.

3. Lien reduction

Once Medi-Cal notifies you of the final lien amount, you need to request a reduction by supplying Medi-Cal with a copy of the settlement agreement, the fee agreement and a list of litigation costs. Under Welfare and Institutions Code section 14124.72, Medi-Cal's reimbursement consists of the benefits it has paid minus 25% for attorney's fees and a pro rata share of the litigation costs.

However, pursuant to section 14124.78, Medi-Cal cannot recover more than the plaintiff's net recovery. If applying the 14124.72 rule would result in Medi-Cal receiving more than half of the plaintiff's net recovery, then the net recovery is simply split 50/50 between Medi-Cal and the plaintiff.

MEDICARE LIEN PROCEDURES

1. Setting up an online profile

Someone in your office will need to be designated as the account representative, and that person will need to set up an online profile for your firm at <https://www.cob.cms.hhs.gov/MSPRP>. The account representative then designates an account manager. The entire process of setting up an account and going through a verification process will take at least a few weeks.

2. Opening up a case file

Go to the website listed above and click on **Request Case Access** to open a new case.

3. Providing proof of representation

Click on **View/Request Authorization** and upload a copy of your fee agreement.

4. Reviewing conditional payment list

Each case that you have set up will be listed on your online account under **Case Listing**. Within approximately two months of setting up a new case, you should be able to view a list of the "conditional payments" that Medicare claims that it made and that are related to this case. You need to review that list to determine if there are any unrelated payments listed. If so, you can dispute those amounts online.

5. Reporting a settlement

On the website, click **Provide the Notice of Settlement Information** to advise Medicare of the settlement amount and date and the amount of your attorney's fees and costs, so that Medicare can calculate the appropriate reduction of its lien. Medicare will mail a Final Demand Letter. The website will tell you when that letter was sent and what the final demand amount is.

Pursuant to 42 CFR 411.37, Medicare's recovery consists of the total lien amount minus its share of the "procurement costs" (fees and costs). In other words, Medicare determines the ratio of your fees and costs to the settlement amount and applies that same ratio to reduce its lien. Unlike Medi-Cal, Medicare can recover more than the plaintiff nets. In fact, if its lien exceeds the amount of the settlement, Medicare is entitled to take the entire net settlement (after deducting fees and costs), leaving the client with nothing. This obviously must be kept in mind when deciding whether to settle a case at a particular figure.