

Dear Provider,

January 08 Standard Monthly Payment

As you are aware, we are currently experiencing problems with our new LSC Online system and as a result in November we made the decision to turn off the system in order for the necessary fixes to be made. We asked all providers to submit their October and November 07 claims via a bulk-load spreadsheet, or in some exceptional circumstances, via paper submission. Deadlines for submitting claims were published in the e-alerts and on our website. These reflected the timescales needed to give you time to make spreadsheet submissions and the LSC time to make payments (see table at end of letter).

We have been working hard to process all of the submissions that we have received via both methods. However, in doing so, we are finding an unexpectedly high proportion of claiming errors. These errors are the primary reason for submissions being rejected. The errors mainly relate to the codes that providers are using on their claim forms. It is essential that you enter the correct codes onto your claims in order for them to be processed. Failure to do so will mean your submission will be rejected and there is then a risk your monthly payments will not be triggered.

Some providers have already had their November claims rejected and have been given reasons as to why the claim was rejected. It is important that you read and understand the reasons for rejection and take action to ensure future claims are correct.

Please ensure you and all your staff involved in the billing process in your firm, familiarise yourself with the claiming guidance on our website: [http://www.legalservices.gov.uk/docs/forms/SMS_Guidance_Version_1_October_2007_\(364_KB\).pdf](http://www.legalservices.gov.uk/docs/forms/SMS_Guidance_Version_1_October_2007_(364_KB).pdf) The guidance will help you to understand the reasons for rejection, and we would ask all providers to use this guidance to ensure that all subsequent claims are correct.

Reconciliation of claims and payments

Due to the very high error and rejection rate on the submissions, the value of the claims made in October and November are in the main much lower than we would expect. There is a risk that if we undertake normal reconciliation activity this month, using both October and November's claim data, we may pay you an SMP in January 08 that does not accurately reflect your previous claim rate. In most cases the amount we would pay would be significantly lower than expected.

We have therefore decided to take a consistent approach to reconciliation by calculating January 08's SMP for all providers using claim data up to and including September 07's submissions and using the lowest average claim rate over the past 3, 6 or 12 months to project what SMP is required for January 08. This SMP has then been reviewed by your Account Manager to ensure it reflects any agreements about your January 08 SMP that may have been made over the previous month.

For a significant number of providers there will be very little change to the SMP you received in December. However, if the payment you receive in January 08 is significantly lower than you would expect based on your recent claims value, please contact your Account Manager. If it is agreed that you should have received a higher SMP your Account Manager can authorise an ad-hoc payment that will be paid via the next payment run.

Please note that you will only receive a contract payment in January 08 if you made a submission before the published deadlines in December 07. The dates for September,

October and November 07 submissions (now passed), and for December 07 through to February 08 submissions are as follows:

Submission	Deadline for paper claim submission	Deadline of bulk upload spreadsheet claim submissions	Payment made in
September 07	10 th October 07	15 th October 07	November 07
October 07	27 th November 07	27 th November 07	December 07
November 07	10 th December 07	14 th December 07	January 08
December 07	10 th January 08	20 th January 08	February 08
January 08	10 th February 08	20 th February 08	March 08
February 08	10 th March 08	20 th March 08	April 08

If you do not receive a payment in January 08, firstly check to ensure you submitted within the published deadlines. If you submitted later than the published deadline in December, you will not get paid in January 08. To guarantee future payments please ensure that your subsequent submissions are sent to us in good time.

If you did submit before the deadline but have still not received a payment, please contact your Account Manager who will investigate the matter for you.

Lastly, I would like to personally thank you all for your continued patience and support over the past few weeks. We will continue to keep you all up to date with the position on LSC Online and therefore recommend you regularly read your e-alerts and look for updates on our website www.legalservices.gov.uk.

Yours faithfully,

Mike Crowley
Director of Contracting