

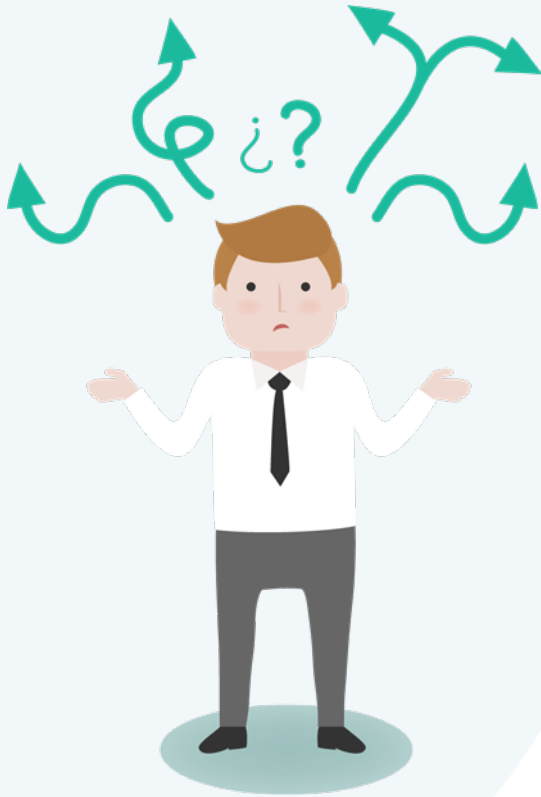
MSA Self-Administration: 5 Critical Things to Know About Managing Your Future Medical Funds

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Agenda

- **Medicare is a Secondary Payer**
 - What is Medicare Secondary Payer (MSP)?
 - What is a Medicare Set-Aside (MSA)?
- **5 Critical Things to Know When Self-Administering Your WCMSA**
- **Resources Available to Assist in Properly Administering Your WCMSA**

Self-Administering my MSA – Where do I even begin?



- What is an MSA?
- Why do I have an MSA?
- Could I lose my Medicare benefits?
- Do I have to negotiate payment?
- How much future treatment will I have?
- What do my treatments cost?
- Will prices increase?
- How do I report this MSA?
- What if I live longer than expected?
- What if I run out of money?
- What if I miss a bill payment?
- What's related to my injury?
- When can I use my own insurance?
- Can I still can my adjuster or attorney?

Who or what can help me over the long-run?

**Medicare is a
Secondary Payer**

Medicare is a Secondary Payer

What is Medicare Secondary Payer?

- The Medicare Secondary Payer (MSP) Act was created by the Omnibus Reconciliation Act of 1980 and enacted by Congress in 1981 to reduce Medicare disbursements on cases where another primary payer was responsible.
- This resulted in Medicare not being responsible to pay first for a healthcare claim when another entity has the responsibility of paying before Medicare.
- On July 23, 2001, CMS issued a directive memo, called the Patel Memo, indicating that Medicare's interest **MUST** be taken into consideration for Workers' Compensation cases. This is true for current Medicare beneficiaries, as well as those with a reasonable expectation of becoming a Medicare beneficiary.

Medicare is a Secondary Payer (continued)

What is a Medicare Set-Aside and why do I have one?

- Medicare Set-Asides (MSAs) are reports that outline and calculate the future Medicare covered medical for an injured person over their remaining lifetime.
- There are WCMSA Guidelines provided in the Reference Guide for how these allocations should be created and when CMS recommends them as a suggested tool to comply with the MSP Act.
- An MSA report includes - covered diagnoses, pre-existing diagnoses, narrative describing the injury and summarizing 2 years medical records, outline future treatment needed such as provider visits, therapy, surgeries, supplies, and prescriptions.
- The goal is to protect your future Medicare benefits, protect Medicare's interest, and follow CMS policy.

5 Critical Things to Know When Self-Administering Your WCMSA

"I got hurt on the job a few years back and had to set up an account. I didn't know what to do so I have never touched it. Is there someone who can go over my file and see if I can take some of the money out without being penalized?"

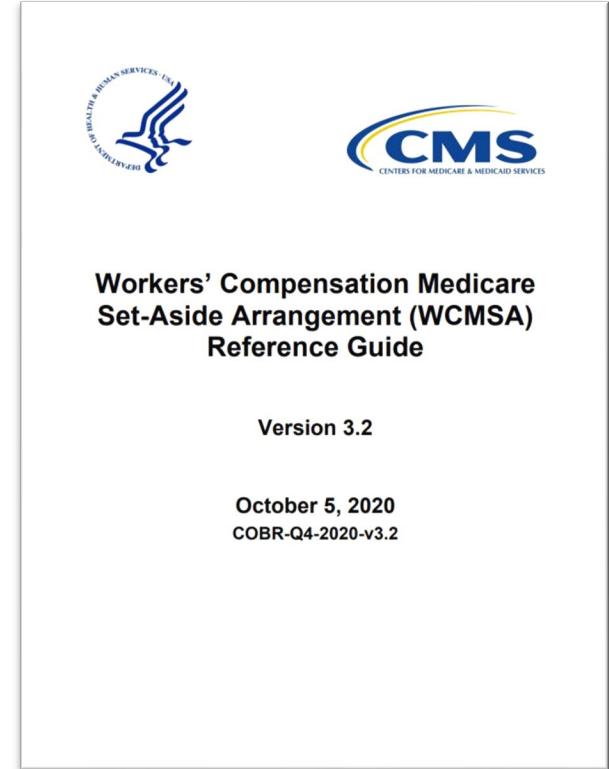
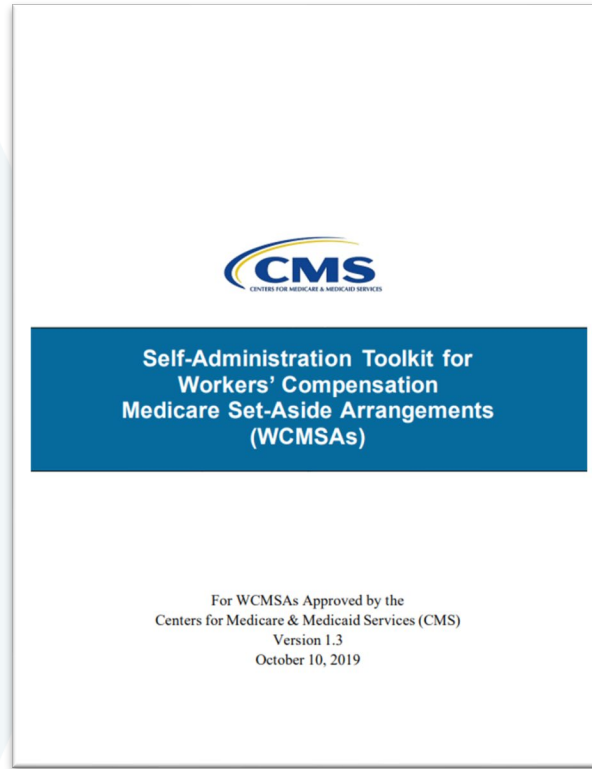
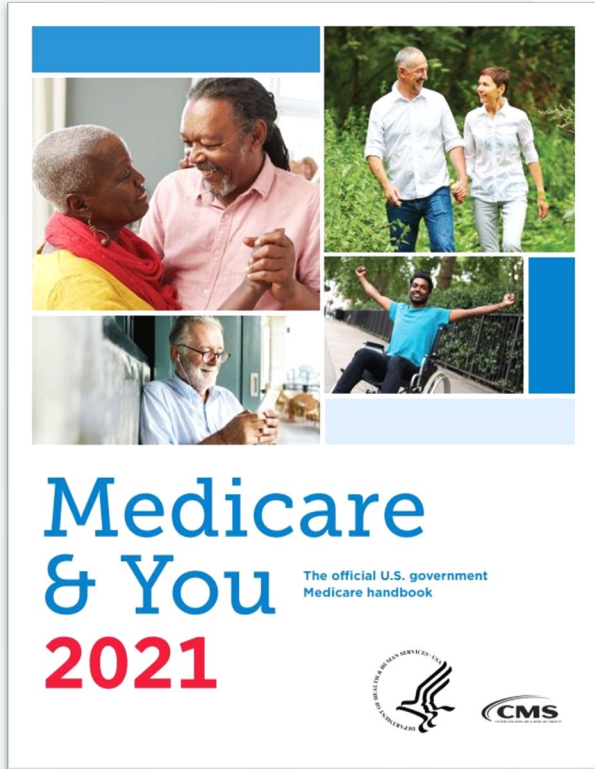
"I will be receiving a workman's comp settlement. I am on Medicare and SSD. Will all of the settlement money go into an account? Will I be able to use this money for anything else such as housing or to fix my car? What will happen if I do use it for something else? Please advise. No one has told me anything. "



"I have a Medicare Set Aside check and need to establish an interest-bearing checking account for it, how I do this?"

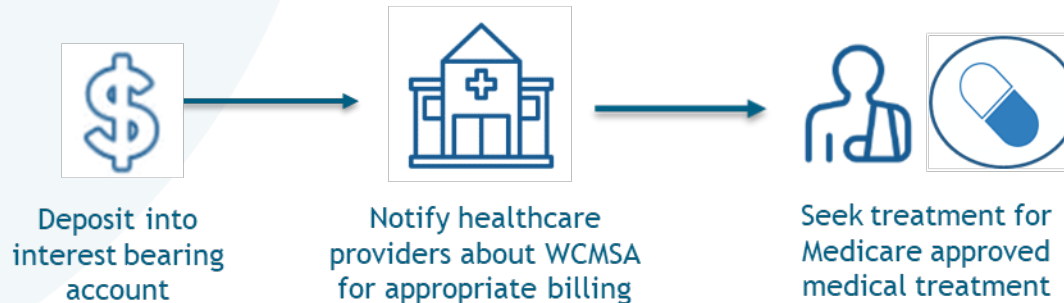
"I have an MSA from a workers comp case. I was on SSD and they stopped making payments. My understanding is that it is for Medicare payments, they are requesting legal documentation. Can you assist me?"

#1 - Important Documents



Section 111 filings provide CMS with your settlement information

#2 – MSA Self-Administration Overview



Confirm:

- If an injury related treatment
- Medicare covered treatment or service
- Accurate coding for injury related expenses
- Appropriate fee schedule has been applied

You can also add:

If not enough funds to pay healthcare provider:



Send Attestation to CMS notifying of exhaustion

If WCMSA can cover the treatment provided:



Pay healthcare provider. Keep complete records for the annual Attestation or Exhaustion, whichever comes first.

#2 – MSA Requirements from CMS

CMS Guidelines	Common Issues
✓ Place funds in separate interest-bearing bank account	✗ Funds often get co-mingled with other funds
✓ Identify if treatments or Rx is related to injury and Medicare covered	✗ Funds are used for unrelated injury treatments and non-Medicare covered items
✓ Pay bills according to specific state workers' compensation fee schedule or usual and customary rates	✗ Providers typically over bill and claimant is unaware the right fee schedule rates
✓ Keep track of all expenses, treatment, dates of service, and related ICD-9/10 codes, and submit annually to CMS	✗ No reporting is completed or submitted
✓ Taxes on interest accrued from the MSA can be paid out of the account	✗ Full tax liability is incorrectly paid out of the MSA

If these guidelines for a Medicare Set-Aside are not followed properly, Medicare benefits could be jeopardized.

#3 – Coordinate Your Medicare Benefits with Your MSA

If you do not have separate private insurance coverage, be sure to enroll into the Medicare plans you need.

If MSA funds exhaust, you will need to be enrolled into a Part D plan to cover prescriptions.

Part A

Hospital Insurance: Institutional Services (hospital, skilled nursing, hospice). Available without a premium if fully enrolled beneficiary.

Part B

Medical Insurance: Professional services, ie: physician, DME, outpatient hospital services. Available with a premium.

Part C

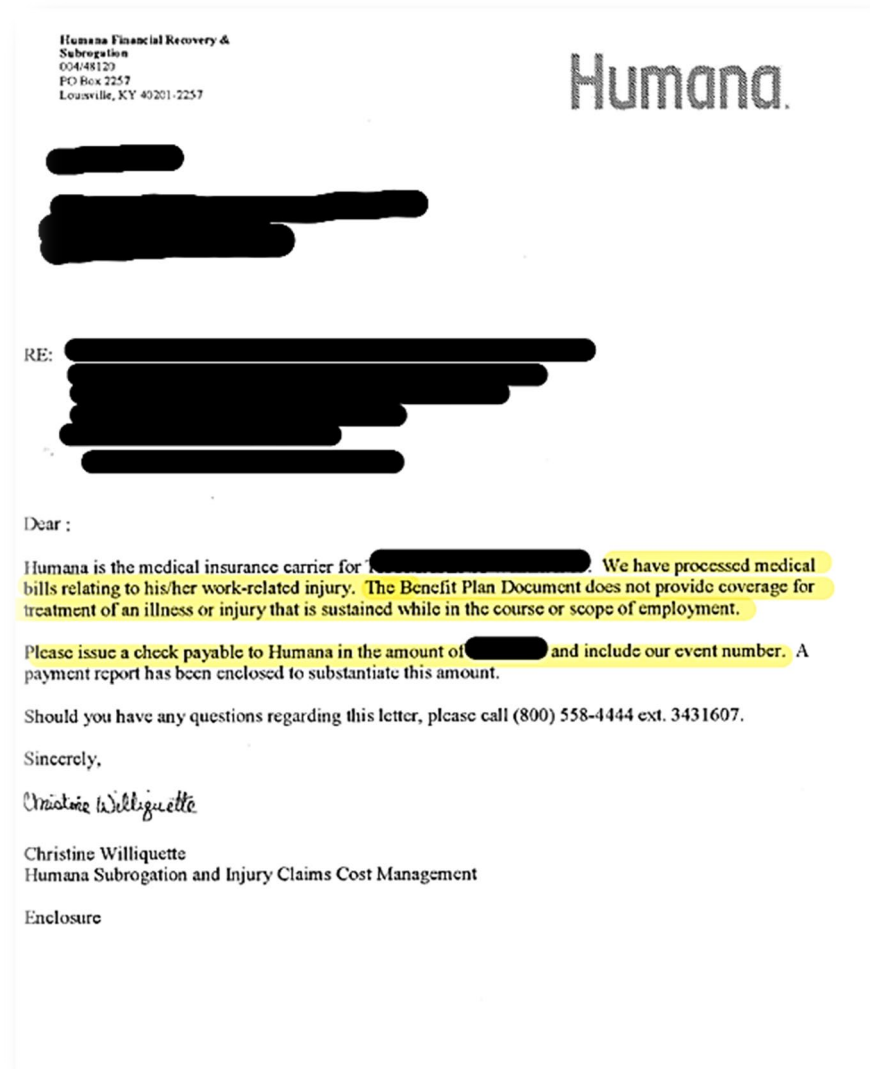
Medicare Advantage Plans: Offered by private insurance companies that include Part A and Part B. Separate enrollment for this type of coverage.

Part D

Prescription Drug Coverage: Prescription drugs to be covered outside of hospital stays. Separate enrollment for this type of coverage.

Updates to the WCMSA Reference Guide

- CMS published a new version of the Reference guide in October 2019.
- **4.1.3 Other Health Coverage**
“A WCMSA is still recommended when you have coverage through other private health insurance, the Veterans Administration, or Medicare Advantage (Part C). Other coverage could be cancelled or you could elect not to use such a plan. A WCMSA is primary to Medicare Advantage and must be exhausted before using Part C benefits on your WC illness or injury.”



#4 – Submission of Your Annual Attestation

Annual Attestation Sample Letter

AMETROS

[Current Date]
MSPRC- NGHP
PO Box 138832
Oklahoma City, OK 73113

ANNUAL ACCOUNTING OF WCMSA

Regarding: Member: [Firstname] [Lastname]
Member ID: [0000]
SSN: [000-00-0000]
Date: [1/01/2012] - [01/31/2012]

Dear MSPRC-NGHP

We are the professional administrator of the Workers Compensation Medical Set-Aside account for [Member Name]. As such, please find submission of the annual accounting of the fund's activity. As requested, the attached records indicate:

- the date of service;
- the name of the medical provider, supplier or pharmacy;
- the medical diagnosis, procedure, service or item code received;
- the amount paid for the medical expense or prescription drug expense;
- the date of the payment;

Sincerely,

Temporary Exhaustion Sample Letter

AMETROS **careguard**

[Firstname] [Lastname]
[Address Line 1]
[Address Line 2]
[City], [State] [Zipcode]

NOTICE OF TEMPORARY DEPLETION OF MSA FUNDS

Regarding: Member: [Firstname] [Lastname]
Member ID: [9876543]
Balance: [\$0.00]
Date: [01/16/2020]

Dear [Firstname] [Lastname],

As a reminder, we are the professional administrator for your Medicare Set-Aside account for your future medical care after settlement.

Based on your account information and the bills that we have received to date, we wanted to advise you that your Medicare Set-Aside funds have depleted. We will file the appropriate Temporary Depletion paperwork with the Centers for Medicare and Medicaid Services (CMS) on your behalf. Please continue to submit all of your bills to us.

If you have questions about your temporary depletion, visit our website at: <http://bit.ly/account-depletion>.

We are scheduled to receive your next annual funding amount of [Funding Amount] on or around [Annual Funding Date].

When we receive your annual funding, we will notify you again and resume paying for your medical expenses related to your injury out of your CareGuard account again. You can also check the status of your account on your online CareGuard portal at portal.careguard.com. Don't have an account yet? Simply sign up for one by clicking 'Register' at portal.careguard.com and filling out the form.

Sincerely,

Sample Transaction Record

Transaction Record
WCMSA Account



Claimant Name:
Settlement Date:

Diagnosis:
Date of Injury:

Date	Check #	Payable to/Provider Name	Date of Service	Description	Paid Amount	Deposit	Balance

Annual Attestation Sample

Workers' Compensation Medicare Set-aside Arrangement (WCMSA) Account Expenditure for Lump Sum Account

This form should be completed annually and mailed to NGHP, PO BOX 138832, OKLAHOMA CITY, OK, 73113. This will start one year from the date of settlement.

Note: Please make several copies of this form because you must send this form to the Medicare contractor each year until all of your WCMSA has been spent.

Name: JANE DOE _____


Medicare Number: 123456789A _____

Date: 02/25/2021 _____

Total WCMSA amount noted in Centers for Medicare & Medicaid Services' (CMS') written opinion:
\$ 50,000.00 _____

Individuals that have a CMS-approved WCMSA as part of a workers' compensation settlement agreement may only use the funds in the WCMSA account to pay for Medicare-covered medical services and Medicare-covered prescription drug expenses that are related to the workers' compensation injury, illness, or disease.

(Please Check)

 I, the undersigned, attest that I have a **lump sum** WCMSA and have used the monies from the WCMSA account for the period of 02/15/20 to 02/15/21 to pay for the following:

Medical services: \$ 4,354.48 _____

Prescription drug expenses: \$ 1,355.51 _____

I, the undersigned, attest that I have a **lump sum** WCMSA and have **COMPLETELY EXHAUSTED** the monies in the WCMSA account to pay for the following:

Medical services: \$ _____

Prescription drug expenses: \$ _____

I acknowledge and understand that failure to follow any of the Medicare requirements for the use of this money will be regarded as a failure to reasonably recognize Medicare's interests and that Medicare will deny coverage for all medical treatments and prescription drug expenses due to my work-related injuries up to the total workers' compensation settlement amount.

 _____
Signature *Jane Doe*

02/25/2021
Date

 _____
Signature *Joshua Doe*

02/25/2021
Date

CMS reserves the right to audit how you spent the funds in your WCMSA account. Therefore, CMS recommends that you retain your WCMSA records for a period of seven (7) years. However, please do not send your receipts or bank statements to CMS or the Medicare Contractor identified above.

Workers' Compensation Medicare Set-aside Arrangement (WCMSA) Account Expenditure for Structured Annuity

This form should be completed annually and mailed to NGHP, PO BOX 138832, OKLAHOMA CITY, OK 73113. This starts one year from the date of settlement.

Note: Please make several copies of this form because you must send this form to the Medicare contractor each year until all of your WCMSA has been spent.

Name: JANE DOE _____


Medicare Number: 123456789A _____

Date: 03/10/2021 _____

Total WCMSA amount noted in the Centers for Medicare & Medicaid Services' (CMS') written opinion:
\$ 50,000.00 _____

Individuals that have a CMS-approved WCMSA as part of a workers' compensation settlement agreement may only use the funds in the WCMSA account to pay for Medicare-covered medical services and Medicare-covered prescription drug expenses that are related to their workers' compensation injury, illness, or disease.

(Please Check)

 (1) I, the undersigned, attest that I have a structured annuity WCMSA and have used the annual monies from the WCMSA account for the period of 03/04/2020 to 03/04/21 to pay for the following:

- Medical services: \$ 15,000.00 _____
- Prescription drug expenses: \$ 10,000.00 _____

(2) I, the undersigned, attest that I have a structured annuity WCMSA and have EXHAUSTED the annual money (and any applicable carry-over from previous years) in the WCMSA account for the period of _____ to _____ to pay for the following:

- Medical services: \$ _____
- Prescription drug expenses: \$ _____

(3) I, the undersigned, attest that I have a structured annuity WCMSA and have COMPLETELY EXHAUSTED all monies in the WCMSA account to pay for the following:

- Medical services: \$ _____
- Prescription drug expenses: \$ _____

I acknowledge and understand that failure to follow any of the Medicare requirements for the use of this money will be regarded as a failure to reasonably recognize Medicare's interests and that Medicare will deny coverage for all medical treatments and prescription drug expenses due to my work-related injuries up to the total workers' compensation settlement amount.

 _____
Signature *Jane Doe*

03/10/2021
Date

 _____
Witness *Joshua Doe*

3/10/21
Date

CMS reserves the right to audit how you spent the funds in your WCMSA account. Therefore, CMS recommends that you retain your WCMSA records for a period of seven (7) years. However, please do not send your receipts or bank statements to CMS or the Medicare Contractor identified above.

#5 - Resources Available for Your WCMSA

Case Example



Jim's Case:

Jim was catastrophically injured working as a millwright.

He has been in the workers' compensation system since his injury. He has needed approximately \$12k annually in medical care. He sees multiple specialists, takes prescription medications, and has periodic physical therapy.

Jim elected to settle his case after years of treatment, which includes a self-administered Medicare Set-Aside.

What are Jim's Options?

- Self-administration
- Reference CMS' 31-page self-administration toolkit
- Become a self-pay, secure a copy of his stated medical fees and negotiate with providers on medical costs

OR

- Professional Administration

Sample Transaction Record



Transaction Record
WCMSA Account

Claimant Name: Jim Crawford
Settlement Date: 12/13/2019

Low back pain [ICD-10: M54.5], SI joint pain [ICD-10: M53.3]
Diagnosis: Lumbar spondylosis [ICD-10: M47.816]
Date of Injury: 6/4/2009

Date	Check #	Payable to/Provider Name	Date of Service	Description	Paid Amount	Deposit	Balance
1/12/20	63	Dr. Adams	1/12/20	Neurology Appointment	\$103.12		\$25,325.12
1/23/20	64	Dr. Sheppard	1/23/20	Pain Management Appointment	\$95.63		\$25,224.49
1/31/20	Debit	CVS Pharmacy	1/24/20	Pregabalin, Baclofen	\$580.80		\$24,643.69
2/20/20	65	Karman		S-ERGO 305 Wheelchair	\$659.00		\$23,984.69

MSA Self-Administration Tool



- **If you don't want professional administration, Amethyst offers savings & support!**
- Funds remain in your chosen bank account
- Savings up to 21% on medical expenses*
- Templates available to assist in required reporting (for MSAs)
- You stay in control of funds
- Access to our expertise and resources if you need help
- An online member portal for you to login and view your account transactions anytime

*Any potential discounts or savings for medical treatment, including but not limited to, prescription drugs, durable medical equipment and/or healthcare items and services, are not guaranteed. Ametros has made no warranties, promises, representations or guarantees whatsoever about potential cost savings or the level of potential discounts obtained on any item, service or prescription payment.

Professional Administration Tool

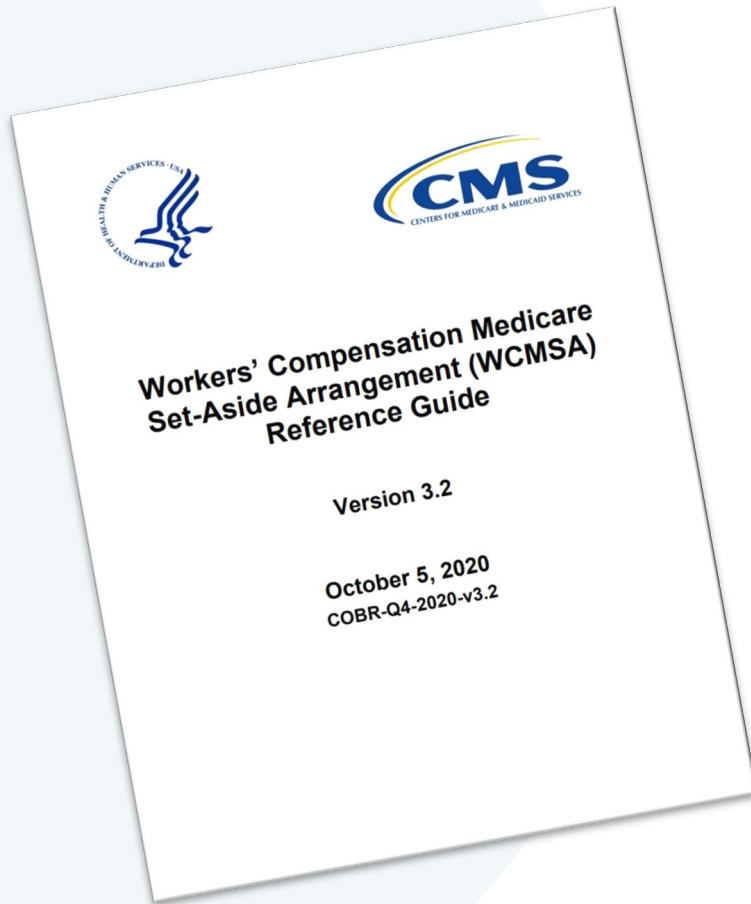
- A resource for you after settlement to help with you ongoing medical needs
- We handle everything so you never have to touch a bill or keep track of funds



- Establishes a bank account for future medical care and act as custodian
- Receives bills and pays them on your behalf, saving up to 62% on provider bills and 28% on other medical expenses*
- Handles all coordination of care and required annual reporting for Medicare Set-Asides (MSA's) to ensure compliance
- Online portal access to review your account at anytime

*Any potential discounts or savings for medical treatment, including but not limited to, prescription drugs, durable medical equipment and/or healthcare items and services, are not guaranteed. Ametros has made no warranties, promises, representations or guarantees whatsoever about potential cost savings or the level of potential discounts obtained on any item, service or prescription payment.

Medicare Highly Recommends Professional Administration



The CMS Reference Guide States:

"It is highly recommended that settlement recipients consider the use of a professional administrator for their funds."

"CMS highly recommends professional administration where a claimant is taking controlled substances that CMS determines are 'frequently abused drugs' according to CMS' Part D Drug Utilization Review (DUR) policy. That policy and supporting information are available [here](#)."

- WCMSA Reference Guide

Thank you!

**Questions about today's
presentation or looking for
additional assistance?**

**Please contact us at
marketing@ametros.com.**