



MEDICARE SET-ASIDES 101

THE TOP 10 MISTAKES TO AVOID



I HAVE A MEDICARE SET ASIDE - NOW WHAT DO I DO?



After settling a workers' compensation or liability claim, you may receive a Medicare Set Aside (MSA) to cover future medical costs. It's crucial to manage MSAs carefully, following the guidelines set by the Centers for Medicare & Medicaid Services (CMS). This involves lifelong tracking and reporting of expenses. Inaccurate reporting could put your Medicare benefits at risk, and paying full prices for medical care can rapidly deplete your funds. Consequently, many injured individuals seek assistance from professional management services such as Ametros. These services help manage medical bills, ensure compliance, and obtain discounted treatment rates. In this document, we will outline the top ten MSA mistakes individuals often make and discuss the advantages of partnering with a professional administration service like Ametros.

TOP MSA ADMINISTRATION GUIDELINES REQUIRED BY MEDICARE



1

Funds will be deposited in a separate interest-bearing account

2

All treatments and prescriptions need to be verified that they are related to the injury and covered by Medicare

3

Track all expenses, treatments, dates of service and related ICD-9/10 codes annually; Reporting must be sent to the Centers for Medicare and Medicaid Services

WHAT IS A PROFESSIONAL ADMINISTRATOR?



At its core, a professional administrator is a company that makes sure the injured individual gets the medical treatment they need after settlement, with personal attention to ensure future medical care needs are handled smoothly.

The professional administrator establishes a dedicated bank account for the individual's medical funds from settlement. Then, the administrator provides the injured party with a unique card that works just like a health insurance card.

When the injured person shows the card at their pharmacy or doctor, the administrator receives the bill, applies group purchasing discounts, and then pays the bill automatically on their behalf. The injured individual never touches the bill, but receives a record of every transaction, the savings, and their account balance information.

In addition to handling all of the injured individual's medical concerns, a professional administrator also automatically files all MSA reporting for accounts, thereby protecting the injured party's Medicare benefits.

Professional administration can be used for any medical allocation (MSA or non-MSA medical funds) as the many benefits of the service extend beyond MSA reporting.

HOW TO GET THE MOST OUT OF YOUR MSA



There is one correct way to administer your MSA (Medicare Set-Aside), but there are plenty of errors that can be made. Mistakes in managing your MSA can have a large impact because they may result in running out of money sooner than you expected or in Medicare denying to cover your medical benefits.

Let us provide you with some of the most common misunderstandings so you can make an informed decision about how to best manage your settlement funds and avoid mistakes that are made when self-administering an MSA with no support.

We have compiled the top 10 MSA administration mistakes we most commonly see beginning with the most costly and impactful in the long-run.

→ **MAKE YOUR MSA LAST**

10 MISTAKES TO WATCH FOR

- **Overpaying for Medical Services**

- **Assuming Full Medicare Coverage**

- **Failure to enroll in Medicare**

- **Mismanaging Billing**

- **Using your MSA funds for Non-Medical or Unrelated Expenses**

- **Using your MSA funds to pay for copays, deductibles, premiums or administrative fees**

- **Improper Coordination with Providers**

- **Co-mingling your MSA funds with other accounts**

- **Failing to notify Medicare properly when funds are exhausted**

- **Failing to report your MSA spending to Medicare annually**

NO. 1

OVERPAYING FOR MEDICAL SERVICES



Managing your Medicare Set Aside (MSA) funds independently can lead to high costs, such as paying retail prices for medical expenses. Professional administrators can help access lower workers' compensation rates, reducing out-of-pocket costs. Many healthcare providers may not know correct billing procedures, leading to overpayments with long-term financial impacts.

At Ametros, we find that on average the fee schedule is 55% below what doctors actually bill at retail prices. Why pay \$100 for a doctor visit when you really should pay \$45? All of this overpaying adds up over months and years!

Overpayments can deplete settlement funds and affect Medicare benefits. Ametros ensures you pay according to necessary fee schedules, helping you manage your MSA funds effectively while focusing on your health.

NO. 2

ASSUMING FULL MEDICARE COVERAGE

After your MSA settlement funds deplete, you will be responsible for copays and deductibles. A professional administrator helps minimize expenses to extend funding. Many mistakenly believe Medicare or private insurance will cover costs 100% when MSA funds run out. However, you must be enrolled in a plan and paying premiums to receive coverage, which typically only includes emergencies if not enrolled. Even with coverage, you will still need to pay about 20% of your medical costs. Hence, it's essential to have an administrator to manage expenses and avoid using personal funds for copays and deductibles.



FAILURE TO ENROLL IN MEDICARE

Many individuals who have sustained injuries mistakenly believe that having a Medicare Set-Aside (MSA) automatically enrolls them in Medicare. This is not true. You must still enroll in either a Medicare or private insurance plan to ensure coverage in case your funds are depleted. A professional administrator can assist you in navigating insurance options that suit your needs, helping protect you from unforeseen challenges. Regardless of your settlement, it is legally required to be enrolled in Medicare or a private insurance plan and to pay your premiums to maintain your healthcare coverage.

Medicare's open enrollment period runs from October 15th to December 7th, while most private plans offer enrollment from November 1st to January 31st. You may also qualify for a special enrollment period, and an administrator will work with you and Medicare or your plan to determine your eligibility.

While Medicare Part A (for emergency visits) does not require enrollment, you must enroll in Part B (for regular doctor visits), Part C (private Medicare plans), and Part D (for prescription drugs) and pay the associated monthly premiums. It is essential to actively elect to enroll in Plans B, C, and/or D.

If you fail to enroll in Medicare or any personal insurance, you will be responsible for covering 100% of your healthcare costs once your MSA funds are exhausted. Moreover, under the Affordable Care Act, you are legally obligated to have insurance; failing to enroll may result in a fine during tax season.

At Ametros, we work closely with each injured individual who joins our platform to ensure they are enrolled in a plan that covers potential costs once their MSA funds are depleted. Additionally, we provide our members with extra insurance coverage through Medicare Supplement plans, which help cover many copays and costs associated with extended hospital stays. Ametros partners with experts to offer guidance on all Medicare plans, including supplement options, simplifying the process for injured individuals.

MISMANAGING BILLING

After settlement, Medicare will not receive your MSA bills or verify any information. A professional administrator can handle this for you; however, if you're managing your funds independently, it becomes your responsibility. Medicare will only review what you submit in your MSA annual report. Many injured individuals we encounter mistakenly believe that their medical bills will go directly to Medicare after settlement and that the MSA is only intended for copays or deductibles.

This misconception can be quite harmful, as it may lead you to attempt to bill Medicare for the injury, which they will likely deny. Additionally, it might cause you to underestimate the total cost of your treatments. Instead, remember that while you have funds in your MSA, you are responsible for collecting and paying all bills IN FULL. Medicare will depend on your annual report to ensure that you have complied with the requirements.



If a procedure has a total cost of \$100, a typical Medicare beneficiary would pay a \$20 copay, while Medicare would cover the remaining \$80. However, as a holder of an MSA account, you are required to pay the full \$100 using your MSA funds. Only after your MSA is exhausted will Medicare intervene to cover its share, which means you will be responsible for copays just like any other Medicare beneficiary.

USING YOUR MSA FUNDS FOR NON-MEDICAL OR UNRELATED EXPENSES

A professional administrator ensures medical expenses are Medicare eligible and assists in documenting treatments related to injuries. Many people mistakenly view their MSA as a general fund for medical care, but Medicare guidelines are specific: funds must only cover treatments directly tied to the injury and eligible under Medicare. It's crucial to have doctors confirm the relationship between treatments and injuries, and to keep detailed records. Some expenses, like transportation and certain products, are not covered by Medicare, which can surprise injured individuals.

Ametros simplifies this process by verifying thousands of bills monthly, reducing ambiguity and hassle for users.



For instance, a knee injury may trigger a hip problem that requires hip surgery. When it is related to your injury and Medicare would cover it, it should be paid for with the MSA. It's best to document this chain reaction so that if Medicare has questions, you have all records on hand.

USING YOUR MSA FUNDS TO PAY FOR COPAYS, DEDUCTIBLES, PREMIUMS OR ADMINISTRATIVE FEES

MSA funds cannot be used for copays, premiums, or administrative fees. A professional administrator ensures only eligible payments are made. Medicare guidelines prohibit using MSA funds for copays, deductibles, or premiums for any plans, including Medicare supplements. Additionally, MSA funds cannot cover fees for investment advisors or administrative services. Ametros charges for professional administration from separate funds, not MSA funds.



Some injured individuals purchase Medicare supplement plans to fortify any coverage gaps they may run into if their MSA funds exhaust. While this can be a good idea, Medicare does not allow you to use MSA funds to pay the premiums for Medicare supplement plans, nor the premiums for any other plan (including Medicare Part B, C or D).

IMPROPER COORDINATION WITH PROVIDERS

Most pharmacy and doctor's office staff are unfamiliar with MSAs, leading to confusion about billing. A professional administrator collaborates with your providers to ensure bills are paid correctly and addresses any misdirected bills. As the MSA manager, you must ensure that bills are paid with MSA funds or routed to Medicare or your insurance. This can be confusing when picking up medications or visiting the same doctor for different issues.

As an individual managing your MSA, you are responsible for making sure you pay each bill properly with your MSA funds or route unrelated bills to your Medicare or insurance plan. It may sound simple, but often times, you will visit the pharmacy to pick up medications that should be covered by your MSA, and other medications that should go to your health insurance or Medicare - it can be confusing!

It's crucial to clearly communicate with your healthcare providers to separate bills correctly. At Ametros, we frequently see incorrect bill routing, and we help reverse and redirect these bills, alleviating the hassle for you.

CO-MINGLING YOUR MSA FUNDS WITH OTHER ACCOUNTS

Medicare requires that you place your funds in a separate interest-bearing bank account. A professional administrator will make sure all funds are set up appropriately so that every cent is accounted for and reported.

Oftentimes, injured individuals skip the step of establishing a dedicated bank account for their MSA funds. This may not seem like a big deal at first, but as the account is used for other expenses, it can be a challenge to separate the items and produce reporting for Medicare. In addition, depositing your MSA funds into a personal checking account that you also use for personal use means you may actually use the money incorrectly by accident.

Likewise, while Medicare has not given specific guidance on placing MSA funds into investment vehicles, the safe play is to keep your funds in a standard checking or savings account. Most industry experts agree that Medicare will absolutely not step in to cover any losses you incur from placing your funds into the stock market.

At Ametros, each of our members has a separate interest-bearing savings account. We do not pool or invest your funds so that all tracking is simple and your money is in the safest accounts available, backed by FDIC insurance.

FAILING TO NOTIFY MEDICARE PROPERLY WHEN FUNDS ARE EXHAUSTED

A professional administrator ensures Medicare is notified when your MSA funds are depleted and replenished, relieving you of this responsibility. It's essential to inform Medicare each time your funds run out and when you receive a new annuity check, as failure to do so could impact coverage for healthcare expenses. Medicare provides template letters for reporting these changes. Some individuals may need to send multiple letters each year and confirm receipt with Medicare, which can be daunting. Ametros' services streamline this process for you.

A common misunderstanding among MSA holders with annuities is whether they have technically "exhausted" their funds simply because they spent more than their annuity payment in a given year. This is a misconception.



You currently have \$25,000 in your MSA account. This year, you receive a \$10,000 annuity check. After spending \$15,000 on MSA-eligible medical expenses, you have \$20,000 remaining in your account at the end of the year. There is no requirement to report that you depleted your funds.

FAILING TO REPORT YOUR MSA SPENDING TO MEDICARE ANNUALLY

The annual attestation is the most fundamental requirement of the MSA: Medicare expects to hear from you on the anniversary of your injury each year for the rest of your life. The only exception is if you have informed Medicare that you have no remaining funds and no future annuity checks. As long as you have MSA funds or anticipate future annuity checks, Medicare will rely on your report. A professional administrator will ensure that you never miss a report.

Annual reporting to Medicare is crucial for MSA holders to protect their Medicare benefits. Unfortunately, many injured individuals forget their settlement date and submit their reports late, while some fail to file altogether. At Ametros, we have taken on the administration of MSAs for those who did not complete their reporting. This often involves multiple phone calls, and injured individuals may find themselves waiting for approval for medical treatments or prescriptions that Medicare needs to assist with.

At Ametros, we assist MSA holders with gaps in their reporting. We strive to organize any outstanding files and submit them to Medicare, after which we will handle the ongoing reporting requirements to demonstrate to Medicare that they are on the right track.



CareGuard's combination of professional administration and member support was created with one goal in mind:

We make your healthcare after settlement simple.



CareGuard assists you in managing your future medical funds resulting from a workers' compensation or liability settlement. Designed to simplify your post-settlement life, CareGuard helps you save on doctor visits, prescriptions, medical equipment, and more, while also coordinating your care.

You'll never have to handle a medical bill, as our experts will take care of all necessary Medicare Set Aside reporting for you. Rest easy knowing that CareGuard is taking care of everything on your behalf.

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TOUCH
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Website

www.ametros.com



Phone

877-414-4203

HOW CAREGUARD WORKS



Save on your healthcare

Through Ametros' discount networks, you can save up to 62% on provider bills and 28% on all other medical expenses, allowing your medical funds to last as long as possible.*



Full Medicare Set Aside Reporting

If you have an Medicare Set Aside, CareGuard helps you compile your reporting to The Centers of Medicare and Medicaid Services (CMS).



Never Touch a Bill

CareGuard facilitates all care-related payments. You'll never have to touch a medical bill, just show your CareGuard card at your doctor's office or pharmacy.



Customer Support

With CareGuard, you can always rely on a team of settlement and Medicare Set Aside experts available to answer all your questions about your medical treatment and any reporting responsibilities.