

School: ATEC – Mastering Medical Settlements **by Ametros**
Course: MSA Administration: Top 10 Mistakes to Avoid
Faculty: Krista Johnson, Senior Director of Special Programs, Ametros

Summary

In Krista Johnson's presentation, "MSA Administration: Top 10 Mistakes to Avoid," she explores common pitfalls in Medicare Set-Aside (MSA) management for workers' compensation cases. Johnson, Senior Director of Special Programs at Ametros, emphasizes that MSAs require careful administration to protect both the injured party and Medicare's interests, as these funds are allocated specifically for future medical expenses related to an injury.

The first mistake discussed is **overpayment** on medical bills, often resulting from providers billing at retail rates rather than state fee schedules. Overpaying leads to the rapid depletion of MSA funds, potentially leaving the injured party without adequate resources for long-term care. **Misunderstanding Medicare's role** is another frequent error; many assume Medicare will automatically cover expenses when MSA funds are exhausted. However, beneficiaries are often responsible for co-pays and deductibles, highlighting the need to stretch MSA funds by prudent spending.

A third critical mistake is **failing to enroll in Medicare or private insurance**. Some injured parties wrongly believe MSA coverage automatically includes Medicare, but without active enrollment in Medicare parts B, C, or D, they may face significant out-of-pocket expenses. Proper enrollment ensures they have a primary insurance that complements the MSA.

The **lack of coordination with healthcare providers** can cause issues, as providers may misdirect bills. Correctly routing bills, especially in self-administration scenarios, is crucial, as mistakes can lead to delays, denials, and potentially improper payments from the MSA. Johnson underscores the importance of establishing a separate, interest-bearing account for MSA funds. Commingling MSA funds with other personal accounts complicates reporting and may lead to mismanagement.

Annual reporting to Medicare is another vital responsibility that beneficiaries often neglect, leading to non-compliance and risks to Medicare eligibility. Medicare requires an annual summary of MSA expenditures, ensuring funds were used appropriately. Johnson advises that self-administration can be challenging due to these complex requirements. Professional administrators can handle bill negotiations, reporting, and coordination, thus minimizing errors and ensuring compliance.

In closing, Johnson stresses that effective MSA management safeguards benefits, prevents overuse of funds, and ensures that Medicare can take over when MSA funds run out. Her course offers a foundational understanding of how careful, informed MSA administration protects injured parties and complies with Medicare's strict guidelines.

Learning Objectives

1. Understand the most common mistakes in Medicare Set-Aside (MSA) administration and their potential impacts.
2. Identify best practices to ensure compliance with Medicare guidelines in MSA management.
3. Recognize the significance of accurate billing practices and appropriate fund allocation in extending MSA funds.
4. Learn the responsibilities and challenges associated with self-administration of MSA funds.
5. Gain insights into effective coordination and reporting to maintain Medicare coverage and protect benefits.

Primary Takeaways

1. Overpayment on medical bills can lead to premature depletion of MSA funds, impacting future medical coverage.
2. Assumptions that Medicare automatically steps in when MSA funds are exhausted are incorrect; beneficiaries may face co-payments and deductibles.
3. Proper enrollment in Medicare or alternative insurance is essential to avoid 100% out-of-pocket costs.
4. Coordination with healthcare providers and pharmacies is crucial to ensure accurate billing and fund allocation.
5. Annual reporting and separation of MSA funds are critical to comply with Medicare requirements and avoid complications.

Course Outline

- 1) Introduction to MSA Administration
 - a) Overview of Medicare Set-Asides (MSA)
 - b) Purpose of MSA and protecting Medicare's interests
- 2) Top 10 Mistakes in MSA Administration
 - a) Overpayment of Medical Bills
 - i) Paying bills at rates higher than the state fee schedule can deplete funds.
 - b) Misconceptions about Medicare's Role

- i) Medicare does not automatically cover expenses after MSA funds run out.
 - c) Lack of Enrollment in Supplemental Coverage
 - i) Failure to enroll in Medicare or personal insurance can lead to high out-of-pocket costs.
 - d) Inaccurate Bill Routing and Coordination
 - i) Bills should be routed correctly to ensure they are processed through the MSA.
 - e) Improper Use of MSA Funds for Non-Eligible Expenses
 - i) Expenses unrelated to the injury or not covered by Medicare should not use MSA funds.
- 3) Best Practices in MSA Management
- a) Separate Account and Investment Considerations
 - i) MSA funds should be kept in a separate, interest-bearing account.
 - b) Annual Reporting Obligations
 - i) Reporting to Medicare is required yearly to track MSA expenditures.
 - c) Maintaining Accurate Records
 - i) Track all expenditures with dates, ICD codes, and billing details.
 - d) Engaging Professional Administration
 - i) Professional administrators can handle billing and reporting, reducing the risk of errors.
- 4) Conclusion
- a) Importance of Proper MSA Administration
 - b) Contact Information and Additional Resources for Questions

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