



Service: MSACP (Medicare Set-Aside Certified Planner)
Module: LEARNING MODULE 10
Medicare Set-Aside (WCMSA) Administration
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Summary

In Module 10, John Kane of Ametros and Brendon De Souza of Sanderson Firm delve into the intricacies of Workers' Compensation Medicare Set-Aside (WCMSA) administration, focusing on fund management, compliance responsibilities, and the critical role of professional administration. This module highlights the importance of ensuring that allocated funds are used exclusively for Medicare-covered, claim-related medical expenses.

Introduction to WCMSAs: A WCMSA serves as a lifetime projection of future work-injury-related treatment costs covered by Medicare. These funds must be preserved in a separate interest-bearing account to avoid misuse or commingling with personal finances. The Centers for Medicare & Medicaid Services (CMS) views WCMSAs as contractual agreements between injured workers and the federal government, requiring strict adherence to usage guidelines.

Administration Responsibilities: Proper fund management includes:

- Account Setup: WCMSA funds must be held in separate accounts, ensuring transparency and ease of tracking.
- Documentation: Injured workers must maintain detailed records of expenditures, including receipts and payment logs.
- Annual Reporting: Workers are required to file yearly attestations with Medicare to demonstrate appropriate spending.

Failure to meet these obligations can result in Medicare benefit denial until proper exhaustion of the funds is proven.

Self-Administration vs. Professional Administration:

- Self-Administration: Injured workers take on the full responsibility of fund management, including bill review, determining Medicare coverage, and compliance with fee schedules. This approach can be challenging due to complex requirements and the risk of errors.
- Professional Administration: Third-party administrators handle fund management, ensure compliance, and provide discounts on medical services and prescriptions. This approach simplifies the process and protects the injured worker from administrative errors.



CMS strongly recommends professional administration, particularly for cases involving catastrophic injuries or claimants with limited financial literacy.

Mitigating Risks and Maximizing Savings: The presenters stress the importance of proactive measures to reduce financial risks. For example:

- Leveraging fee schedule discounts or network pricing to stretch MSA funds.
- Maintaining separate accounts for non-Medicare-covered items, like home modifications, to ensure compliance with CMS regulations.

Professional administrators can assist injured workers by bridging gaps in understanding and minimizing fund mismanagement.

Consequences of Mismanagement: Improper use of WCMSA funds, whether intentional or accidental, can lead to significant consequences, including:

- Medicare Benefit Denials: CMS may refuse to cover claim-related expenses until proper exhaustion is demonstrated.
- Increased Oversight: Medicare regularly audits MSA spending to ensure funds are appropriately used.

The module underscores the critical role of WCMSA administration in protecting Medicare's interests and securing injured workers' benefits. While self-administration remains an option, professional administration provides a safer, more efficient alternative that ensures compliance, reduces risks, and alleviates administrative burdens. By adhering to CMS guidelines and leveraging professional resources, stakeholders can achieve equitable settlements while safeguarding future medical care.

Learning Objectives

1. Understand the responsibilities of Workers' Compensation Medicare Set-Aside (WCMSA) administration, including fund management and compliance.
2. Learn the requirements for setting up and maintaining MSA funds in separate interest-bearing accounts.
3. Explore the differences between self-administration and professional administration and their implications for injured workers.
4. Examine the consequences of mismanaging MSA funds, including Medicare benefit denials.
5. Develop strategies for ensuring proper documentation, annual attestations, and fund tracking to maintain compliance with CMS guidelines.

Primary Takeaways

1. Injured workers must manage MSA funds exclusively for Medicare-covered claim-related expenses, track spending, and file annual attestations.



2. WCMSA funds should be held in a separate interest-bearing account to ensure clear accountability and prevent commingling of personal and settlement funds.
3. Professional administration simplifies compliance, ensures proper documentation, and reduces the risk of benefit denial due to mismanagement.
4. Misusing MSA funds can lead to Medicare benefit denial until proper exhaustion of funds is demonstrated.
5. The CMS WCMSA Reference Guide strongly advocates for professional administration, particularly for complex or catastrophic cases.

Course Outline

- 1) Overview of WCMSA Administration
 - a) Background and Purpose
 - i) Ensuring proper use of funds for Medicare-covered expenses.
 - ii) Protecting Medicare's secondary payer status.
 - b) CMS Guidance and Regulations
 - i) WCMSA Reference Guide.
 - ii) Importance of compliance with federal guidelines.
- 2) Fund Management Requirements
 - a) Account Setup
 - i) Separate interest-bearing accounts for transparency.
 - ii) Avoiding commingling of funds with personal finances.
 - b) Annual Attestations
 - i) Lifetime responsibility for reporting proper fund usage.
 - ii) Recordkeeping for all expenditures.
- 3) Administration Options
 - a) Self-Administration
 - i) Responsibilities: tracking spending, understanding coverage, filing attestations.
 - ii) Challenges: managing medical bills, fee schedules, and ICD codes.
 - b) Professional Administration
 - i) Services: fund management, bill review, provider negotiation.
 - ii) Advantages: compliance assurance, peace of mind, cost savings.
- 4) Consequences of Mismanagement
 - a) Medicare Benefit Denial
 - i) Denial for misused or unaccounted funds.
 - ii) Examples of claims flagged for improper fund usage.



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- b) Accountability and Audits
 - i) Importance of maintaining detailed records.
 - ii) Proving appropriate fund exhaustion to avoid penalties.

- 5) Best Practices for WCMSA Administration
 - a) Choosing Administration Methods
 - i) Factors: claim complexity, claimant capabilities, and costs.
 - ii) CMS preference for professional administration.
 - b) Enhancing Compliance
 - i) Accurate tracking, periodic reviews, and timely reporting.
 - ii) Leveraging professional services for catastrophic or high-risk claims.

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