



Service: MSACP (Medicare Set-Aside Certified Planner)
Module: LEARNING MODULE 5
Workers' Compensation Medicare Set-Asides
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Summary

This module, led by Deanna Lawrence and Johanna Owens, provides a foundational understanding of Workers' Compensation Medicare Set-Asides (WCMSAs) and their role in managing future medical expenses for work-related injuries. It introduces the essential components, guidelines, and considerations for creating WCMSAs, as outlined in the CMS WCMSA Reference Guide.

Purpose of WCMSAs: WCMSAs allocate a portion of a workers' compensation settlement to cover future Medicare-eligible expenses related to the claimant's work injury. The allocated funds ensure Medicare's coverage is only used once the set-aside funds are exhausted. WCMSAs may be funded through a lump sum or structured settlement with annual payouts, often involving annuities. Once the claimant's medical condition has stabilized, this enables a clearer projection of future care needs.

Key Documentation and Guidelines: The CMS WCMSA Reference Guide serves as the foundation for preparing MSAs, detailing submission requirements and allocation guidelines. It emphasizes the use of the most recent two years of medical and payment records to inform accurate projections. Important documentation includes:

- Medical Records: Details of injuries, treatments, and diagnostics.
- Payment and Prescription Histories: Confirmation of prior treatments and medications.
- Rated Ages: Adjusted life expectancy based on comorbid conditions, significantly impacting allocation calculations.

Rated Ages and Life Expectancy: Rated ages, obtained through settlement brokers or insurance companies, adjust the claimant's life expectancy by considering comorbid conditions (e.g., diabetes, cardiac issues, or obesity). These adjustments can reduce the overall allocation. The life expectancy used in WCMSAs can influence the total funds needed, making rated age calculations a critical component.

Summarizing Treatments: A comprehensive summary of prior treatments for the injury is essential for WCMSA preparation. This includes:

- Diagnostic and procedural records.
- Response to treatments and current medical conditions.



- Identification of ongoing and future care recommendations.
- CMS requires precise and well-documented treatment histories to avoid development letters during the review process.

Challenges and Best Practices: The module discusses common challenges, such as incomplete or outdated records and discrepancies between medical and pharmacy records. It is recommended to verify all documentation for accuracy and consistency, ensuring all injury-related expenses are appropriately included. Any unresolved conditions or omitted documentation could result in additional costs or delays.

Pricing and Legal Considerations: WCMSAs rely on Redbook for pricing medication costs. Additionally, legal considerations, such as state-specific statutes and court orders, must be addressed as these factors can influence the WCMSA.

This module emphasizes the importance of accuracy, consistency, and thorough documentation in preparing WCMSAs. Practitioners must leverage guidelines, rated ages, and precise treatment summaries to ensure effective allocation of future medical expenses. By following these principles, WCMSAs protect Medicare's interests while ensuring claimants' medical needs are met.

Learning Objectives

1. Understand the purpose and scope of WCMSAs in protecting Medicare's interests in work-related injury settlements.
2. Identify the key components required for WCMSA preparation, including medical records, payment histories, and rated age evaluations.
3. Learn the CMS guidelines outlined in the WCMSA Reference Guide and their application in MSA development.
4. Develop skills for summarizing prior treatments and forecasting future medical and prescription needs.
5. Explore the influence of state statutes, court orders, and rated age calculations on WCMSA allocations.

Primary Takeaways

1. WCMSAs allocate settlement funds to cover future Medicare-eligible costs related to work injuries, ensuring Medicare's interests are protected.
2. WCMSA development relies on the most recent two years of medical records, accurate treatment summaries, and CMS-approved pricing methods.
3. Incorporating rated ages, which account for comorbidities, can significantly impact life expectancy calculations and reduce MSA costs.



4. Accurate WCMSA preparation requires detailed analysis of injuries, treatments, medications, and associated costs.
5. WCMSAs must include all ongoing and potential treatments unless explicitly excluded through valid documentation.

Course Outline

- 1) Overview of WCMSAs
 - a) Definition and Purpose
 - i) Protection of Medicare's interests.
 - ii) Allocation of settlement funds for future injury-related medical expenses.
 - b) Role of the WCMSA Reference Guide
 - i) CMS expectations and guidelines.
 - ii) Periodic updates and application in MSA preparation.
- 2) Gathering Required Information
 - a) Medical Records and History
 - i) Prior treatments, surgeries, and diagnostic results.
 - ii) Two years of comprehensive treatment records.
 - b) Payment and Prescription Histories
 - i) Prescription medications and their alignment with medical records.
 - ii) Categorization of covered and non-covered items.
 - c) Rated Ages and Life Expectancy
 - i) Impact of comorbid conditions.
 - ii) Calculations to reduce MSA costs.
- 3) Treatment Summarization and Forecasting
 - a) Summarizing Prior Treatments
 - i) Medical providers, specialties, and treatments performed.
 - ii) Identifying improvement or worsening of conditions.
 - b) Forecasting Future Treatments
 - i) Physicians, procedures/surgeries, diagnostics and labs, medications, therapies, and equipment needs.
 - ii) Differentiation of covered and non-covered Medicare treatments.
- 4) Pricing and Allocation Considerations
 - a) Pricing Standards
 - i) Use of Redbook AWP for medication pricing.
 - ii) Annuity vs. lump sum funding.
 - b) Legal and Procedural Influences



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- i) Incorporating state statutes and court orders.
 - ii) Addressing discrepancies in medical documentation.
- 5) Common Challenges and Best Practices
- a) Handling Incomplete Records
 - i) Resolving red flags and discrepancies prior to submission.
 - ii) Ensuring consistency across medical and pharmacy records.
 - b) Effective Documentation
 - i) Presenting accurate summaries for CMS review.
 - ii) Avoiding development letters through proactive inclusion.

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