



**Service:** MSACP (Medicare Set-Aside Certified Planner)  
**Module:** LEARNING MODULE 7  
*Medical Cost Projection & Non-Covered Treatments*  
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### **Summary**

Module 7, presented by Greg Gitter of Legacy Claim Solutions and Budge Cutrera of Sanderson Firm, delves into Medical Cost Projections (MCPs) and their role in workers' compensation and liability cases. The module highlights the advantages of MCPs over traditional Workers' Compensation Medicare Set-Asides (WCMSAs), emphasizing their flexibility in addressing both Medicare-covered and non-covered treatments.

**Understanding Medical Cost Projections:** MCPs are comprehensive tools used to estimate future medical costs, including both Medicare-covered and non-covered items. Unlike WCMSAs, MCPs are not bound by strict CMS guidelines, allowing them to reflect real-world treatment needs and costs. MCPs are instrumental in reserve setting, settlement negotiations, and managing catastrophic cases, providing stakeholders with accurate financial projections. Key uses include:

- Reserve Setting: MCPs ensure sufficient funds are available for future medical expenses.
- Settlement Negotiations: They provide a realistic financial framework, helping parties reach agreements by clarifying cost expectations.
- Addressing Catastrophic Injuries: For severe injuries, MCPs accommodate extensive care needs, including home modifications and custodial care.

**Components of an MCP:** MCPs include:

- Demographics: Claimant details such as age, injury, and jurisdiction.
- Medical Records and Payment Histories: Accurate and comprehensive data on past treatments, diagnostics, and costs.
- Future Care Projections: Estimations based on current needs and anticipated medical advancements.

Unlike WCMSAs, MCPs can exclude treatments or diagnostics mentioned in passing by physicians if they are unlikely to occur, reducing unnecessary cost allocations.

**Non-Covered Treatments:** MCPs address treatments and expenses not covered by Medicare, which are excluded from WCMSAs. These include:

- Custodial Care: Services like unskilled home care or family-provided assistance.
- Durable Medical Equipment (DME): Items such as shower chairs, grab bars, and elevated toilet seats.



- Non-Prescription and Off-Label Medications: Over-the-counter drugs and medications used outside their FDA-approved purposes.
- Lifestyle-Enhancing Items: Gym memberships, transportation costs, and home modifications.

The module explores pricing challenges for non-covered items, such as medical marijuana or compound drugs, which can vary widely.

**Advantages of MCPs:** Compared to WCMSAs, MCPs provide:

- Real-World Accuracy: By aligning with actual treatment patterns, MCPs avoid overestimations tied to CMS guidelines.
- Flexibility: MCPs address a broader scope of needs, including non-Medicare-covered treatments essential for claimants' quality of life.
- Settlement Facilitation: MCPs bridge gaps in understanding between parties, helping to clarify financial expectations and mitigate costs.

**Mitigation and Cost Reduction:** The module emphasizes strategies to reduce projected costs, such as switching to generic medications, adjusting care levels, or allocating finite periods for specific treatments like weight-loss drugs. These methods optimize care while controlling financial exposure.

MCPs are invaluable tools in workers' compensation and liability claims. By providing comprehensive and realistic cost projections, MCPs help stakeholders navigate complex cases, balance financial responsibilities, and achieve equitable settlements. The module underscores the importance of thorough documentation, jurisdictional knowledge, and creative problem-solving in MCP preparation.

### **Learning Objectives**

1. Understand the purpose and components of MCPs and their use in workers' compensation and liability cases.
2. Learn how MCPs differ from traditional WCMSAs, particularly regarding Medicare-covered and non-covered treatments.
3. Identify strategies for evaluating and including non-covered treatments in MCPs, such as off-label medications and home modifications.
4. Explore the role of MCPs in setting reserves, negotiating settlements, and managing catastrophic claims.
5. Examine jurisdictional considerations and documentation requirements to ensure accurate and defensible cost projections.

### **Primary Takeaways**



1. MCPs provide comprehensive future medical cost estimates, including both Medicare-covered and non-covered expenses, offering flexibility compared to WCMSAs.
2. MCPs address expenses outside CMS guidelines, such as off-label medications, custodial care, and home modifications, which can be critical in settlement negotiations.
3. Proper documentation, including medical records and payment histories ensure accurate and defensible MCP preparation.
4. MCPs incorporate real-world treatment needs, reducing unnecessary costs compared to the strict allocations required by WCMSAs.
5. MCPs are instrumental in reserve setting and settlement negotiations, allowing stakeholders to evaluate realistic medical costs and explore mitigation opportunities.

## **Course Outline**

- 1) Introduction to MCPs
  - a) Definition and Purpose
    - i) Comprehensive allocation for covered and non-covered expenses.
    - ii) Uses in reserve setting, settlement negotiations, and catastrophic claims.
  - b) MCP vs. WCMSA
    - i) Flexibility in including non-Medicare-covered items.
    - ii) Real-world cost projections compared to CMS guidelines.
- 2) Components of an MCP
  - a) Key Elements
    - i) Demographics, injury diagnoses, and medical histories.
    - ii) Current and future treatment projections.
  - b) Documentation Requirements
    - i) Medical records, pharmacy histories, and payment data.
    - ii) Role of evidence-based guidelines in validating allocations.
- 3) Non-Covered Treatments
  - a) Examples of Non-Covered Items
    - i) Custodial care, home modifications, off-label medications.
    - ii) Non-prescription drugs, fitness memberships, and cosmetic procedures.
  - b) Inclusion Criteria
    - i) Substantiating necessity for treatments not covered by Medicare.
    - ii) Pricing challenges for items like medical marijuana and compound drugs.



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- 4) Strategic Applications of MCPs
  - a) Reserve Setting and Settlement Negotiations
    - i) Balancing stakeholder interests and mitigating cost drivers.
    - ii) Examples: family-provided care, reduced physician visits.
  - b) Addressing Catastrophic Claims
    - i) Customizing MCPs for complex injuries like quadriplegia or transplants.
    - ii) Impact of rated ages on cost projections.
  
- 5) Practical Considerations and Best Practices
  - a) Using MCPs with Other Tools
    - i) Integration with WCMSAs and life care plans.
    - ii) Leveraging MCPs to bridge gaps in settlement discussions.
  - b) Real-World Adjustments
    - i) Aligning projections with claimant needs and jurisdictional rules.
    - ii) Monitoring trends in non-covered treatments and medications.

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