



Service: MSPA (Medicare Secondary Payer Accreditation)
Module: LEARNING MODULE 10
Medicare Set-Aside Administration
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Summary

This module, taught by Brendon De Souza of Sanderson Firm and John Kane of Ametros, provides a comprehensive overview of Medicare Set-Asides (MSAs) administration, focusing on the responsibilities of injured workers and the benefits of professional administration to ensure compliance with Medicare Secondary Payer (MSP) laws.

Key Components of MSAs: Medicare Set-Asides allocate settlement funds specifically for medical expenses related to a work-related injury. These funds are to be used for Medicare-covered services. MSAs serve as direct financial agreements between the injured worker and Medicare. Properly administered, MSAs ensure that Medicare benefits resume once allocated funds are exhausted.

Challenges in MSA Administration:

1. Self-Administration Responsibilities:

- Injured workers must establish a separate, interest-bearing account for MSA funds.
- They must track and document all expenditures and adhere strictly to Medicare coverage guidelines.
- Common pitfalls include spending funds on non-covered items (e.g., home modifications or luxury goods) and failure to maintain required documentation, risking benefit denial.

2. Legal and Compliance Framework:

- MSP laws mandate that primary payers, such as workers' compensation insurers, consider Medicare's interests in settlements.
- Regulations such as 42 CFR 411.46 allow Medicare to deny benefits if MSA funds are misused or insufficiently allocated.

Professional Administration as a Solution: Professional administrators, like Ametros, offer seamless management of MSA funds, including:

- Establishing compliant accounts.
- Negotiating medical bills and applying discounts.
- Ensuring accurate annual reporting and timely exhaustion notices.
- Mitigating risks of non-compliance, such as benefit denials.



CMS strongly recommends professional administration due to its efficiency and ability to reduce errors commonly seen with self-administration.

Best Practices and Case Studies: The instructors highlighted best practices, including:

- Proper documentation in settlement agreements.
- Following CMS guidelines outlined in the WCMSA Reference Guide and self-administration toolkit.
- Utilizing professional administration to alleviate the administrative burden on injured workers and ensure long-term compliance.

Case studies demonstrated the consequences of non-compliance, such as benefit denial for improperly used MSA funds. A study revealed over 30,000 annual Medicare claims were denied due to issues with MSA administration.

Module 10 emphasizes the complexities of MSA administration and the critical role of compliance with MSP laws. Injured workers face significant administrative responsibilities, making professional administration a practical and effective choice. This approach not only protects Medicare's interests but also ensures a smoother post-settlement process for beneficiaries.

Learning Objectives

1. Understand the purpose and legal foundation of Medicare Set-Asides (MSAs) and their role in workers' compensation settlements.
2. Recognize the responsibilities of injured workers in administering MSAs, including compliance with CMS guidelines.
3. Evaluate the differences between self-administration and professional administration of MSA funds.
4. Identify risks associated with improper MSA fund usage and potential consequences, including denial of Medicare benefits.
5. Explore best practices for ensuring compliance with MSA regulations, including effective settlement documentation and fund management.

Primary Takeaways

1. MSAs are legal tools that allocate funds for future medical care related to a workers' compensation injury, ensuring compliance with Medicare's secondary payer requirements.
2. Proper administration of MSAs, whether self-administered or professionally managed, is critical to avoiding benefit denials and legal consequences.



3. CMS recommends professional administration of MSAs to reduce administrative burdens and ensure compliance with reporting and expenditure tracking.
4. Injured workers face significant responsibilities, such as maintaining separate accounts for MSA funds, documenting expenditures, and adhering to Medicare coverage rules.
5. Failure to properly manage MSA funds can result in CMS denying Medicare benefits, making professional administration a preferred option for many injured workers.

Course Outline

- 1) Introduction to Medicare Set-Asides (MSAs)
 - a) Overview of MSAs
 - i) Definition and purpose
 - ii) Historical background and legal foundation
 - b) Importance in workers' compensation settlements
 - i) Protecting Medicare's secondary payer status
 - ii) Ensuring compliance with federal laws
- 2) Administration of MSA Funds
 - a) Key responsibilities of injured workers
 - i) Separate interest-bearing accounts
 - ii) Tracking and reporting expenditures
 - iii) Annual attestations and compliance documentation
 - b) Self-administration vs. professional administration
 - i) Pros and cons of self-administration
 - ii) Benefits of professional administration for compliance and ease
- 3) Regulatory and Compliance Framework
 - a) Federal regulations governing MSAs
 - i) Medicare Secondary Payer Act
 - ii) Key CFR provisions (e.g., 42 CFR 411.46)
 - b) Guidance and tools
 - i) WCMSA Reference Guide
 - ii) CMS self-administration toolkit
- 4) Risks of Non-Compliance
 - a) Consequences of improper fund usage
 - i) Medicare benefit denials
 - ii) Potential legal and financial penalties
 - b) Case studies of compliance failures



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- i) CMS enforcement actions and denial statistics
- 5) Best Practices for MSA Administration
- a) Settlement documentation and fund allocation
 - i) Including ICD codes and MSA funding details
 - ii) Professional administration contracts
 - b) Ensuring long-term compliance
 - i) Coordination with medical providers
 - ii) Periodic review and adjustment of MSA funds
- 6) Conclusion
- a) Importance of MSA administration in protecting Medicare benefits
 - b) Recommendations for professional administration to mitigate risks

NOTE: Artificial Intelligence was used in the creation of this document.