



Best Practices Series

Medicare/Medicaid Set-aside Arrangements



All organizations are faced with a significant number of employment and liability risk issues during these difficult economic times. Successful firms are employing a cohesive team and infrastructure to address the strategic, financial, operational, and hazard risks that they face, including Medicare/Medicaid Set-aside Arrangements (MSA).

Recent Findings

We are preparing and assisting our clients for the enhanced enforcement of Medicare Secondary Payer regulations for significant workplace and general liability injuries. It is the responsibility of all parties to protect Medicare's interests when resolving cases with future medical expenses.

The recommended method for doing this is a MSA, which allocates a portion of the settlement for future medical expenses. The amount of the set aside is determined on a case-by-case basis and is mandated to be reviewed by the Centers for Medicare and Medicaid Service (CMS) when appropriate.

Once the CMS determined amount is exhausted and properly accounted for to CMS, then Medicare/Medicaid will agree to be the primary payer for future Medicare covered expenses related to the injury.

Key Solutions

Evidence has shown that there are five key factors organizations should be focused on in 2009 and 2010 to settle and manage these cases.

- Continuous review of their cases to establish MSA thresholds for minimizing risks and maximizing compliance.
- Reserves should be carefully reviewed and benchmarked on a case-by-case basis to be certain they are optimal and segmented to each area of future expense.
- Retention of an experienced team of multi-disciplinary medical, financial, claim, and legal resources with significant experience in settling high value cases.
- A "Zero Approval" goal for each case by removing co-morbidity factors, and only relating the subject injury to the proximate cause.

- Service quality and technology dedicated to carefully managing and ensuring excellence throughout the process.

While many organizations have qualified representatives who are capable of managing the smaller cases, only a few have the dedicated resources to focus on the complex laws and regulations surrounding MSA's.

The CMS is continually changing their rules and opinions, and it requires a consistent team of practice professionals to provide organization and clarity for each case. With this team, the organization can be assured of a careful and thoughtful approach which will receive final approvals and future certainty for the cases.

About Blackburn Group

Blackburn Group is an enterprise risk management professional service firm specializing in a variety of industries including MSA service. Our partners have over 30 years experience delivering advanced product and service solutions for the risk and insurance industries.