



# Overview of Medicare Set-Asides for Workers Compensation

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# Overview

- Background
  - History
  - Description
  - Criteria
- Mandatory Insurer Reporting Requirements
- Recent observations
- Looking ahead

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# MSA BASICS

- Medicare - 1965; Centers for Medicare and Medicaid Services (CMS) setup to administer program
- Medicare as Secondary Payer (MSP) Statute – 1980
  - Applies to workers compensation (WC) claims
  - Medicare is secondary to primary plan provider (WC insurer)
- Medicare Set-Asides (MSA) developed in late 1990's for WC
  - Purpose
  - Thresholds
  - Not mandatory

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# Mandatory Reporting Requirements

- The Medicare, Medicaid, and State Children's Health Insurance Program Extension Act of 2007 (MMSEA)
  - Signed into law December 29, 2007; effective July 1, 2009
  - Purpose/Message
  - Section 111 of MMSEA includes Mandatory Insurer Reporting Requirements (MIR)
- Impact
  - Emphasis - Medicare is a secondary payer
  - Safe havens - MSA's considered "mandatory"

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# Reporting Requirement Effects

- Initial aftermath
  - Several issues unclear/unanswered
  - Lack of vendors
  - CMS administrative challenges, delays
  - Variability in MSA assumptions
  - CMS estimates “too high”
- Settlements decreased
- Settlement amounts increased

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# Recent Settlement Activity

- Recent observations
  - Many issues addressed, increased confidence
  - Process in place for MIR
  - CMS approval process timely
  
  - Variability in MSA amounts
  - CMS estimates “too high”
- Settlement activity increased



# Thank you

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