

# MSA Insider



**Getting You to Settlement**

June 2010

Your Premiere Compliance Solution

## ***MedAllocators Identifies Nearly \$2 Million in Potential MSA Reductions as a Result of New CMS Policy***

As reported in the May 2010 MSA Insider, the Centers for Medicare and Medicaid Services (CMS) issued a memo stating Medicare Set-Asides (MSAs) should not include non-Medicare covered prescription medications. MedAllocators has always excluded non-Medicare covered medications in our MSA reports. Nonetheless, CMS was frustratingly placing these medications into the MSAs, which in many cases significantly increased the approved MSA amounts.

In addition to stating it would no longer include non-Medicare covered medications in future MSA approvals, CMS also stated that for cases not settled prior to June 1, 2010, it would re-price those MSAs where these medications were included. Consequently, MedAllocators performed an extensive review of MSAs approved by CMS over the past year to determine which MSAs fit into this category. We identified potential savings of nearly \$2 million.

### ***Re-Pricing of MSAs by CMS***

To convert potential savings into real savings the MSAs must be submitted to CMS for re-pricing. Please note that while we can state to CMS the basis under their new policy for why a medication should be removed from the MSA, the final decision rests with CMS.

MedAllocators is charging no extra fee for submitting these MSAs to CMS for re-pricing. If one of your submitted files qualifies for re-pricing under this new CMS policy you will or already may have been contacted by your dedicated Account Executive about the possibility of having the MSA submitted to CMS for re-pricing. If you have other questions, or have additional MSA reports you want reviewed, please contact your Account Executive.

### ***MedAllocators Provides Solutions to All MSA Issues***

While this CMS memo addresses the problem of non-Medicare covered medications being included in MSAs, this does not eliminate MSA increases as a result of Medicare covered medications which are open-ended in the medical records, listed as brand name rather than generic, or are otherwise not limited. Furthermore, CMS still demands updated and recent medical records or a recent pharmacy history as part of an MSA submission. MedAllocators provides comprehensive solutions to these issues as can be found in the **April 2010 MSA Insider** on the MedAllocators' website at [www.MedAllocators.com](http://www.MedAllocators.com). Your Account Executive will work with you to find the correct solution.

### ***Medicare Releases Memo on Risk Management Write-Offs Under Section 111 Mandatory Reporting***

A common question in regard to Section 111 Mandatory Reporting is when is a risk management write-off, such as reducing a medical bill or providing a gift card, considered a Total Payment Obligation to the Claimant (TPOC) and as such trigger the reporting requirement? CMS answered the question in a memo of May 26, 2010, which can be found on the MedAllocators website at [www.MedAllocators.com](http://www.MedAllocators.com).

### **MedAllocators' EVENTS:**

*Upcoming Presentations by:*

**Daniel Anders, Esq.**  
*Compliance Director*

**June 25, 2010**

Connecticut Defense Lawyers  
Association  
*Mystic, Connecticut*

**June 30, 2010**

Moore, Ingram, Johnson &  
Steele Workers' Compensation  
Adjusters Seminar  
*Atlanta, Georgia*

**July 9, 2010**

Kansas Self-Insurers Associa-  
tion Annual Conference  
*Wichita, Kansas*

**Upcoming Webinar**

For upcoming webinars con-  
tact your Account Executive  
or visit the website at  
[www.MedAllocators.com](http://www.MedAllocators.com).