

MSA Insider

Special Edition



Getting You to Settlement



Changes at CMS and a New Policy Memo

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The Centers for Medicare & Medicaid Services (CMS), the entity that manages the Medicare Set-aside program, has made two changes recently. The first is that CMS released a new policy memo that impact MSAs. *Please see sidebar.* The second is that CMS has raised the costs associated of some of the medical items and procedures related to MSAs. To be more precise, the entity that evaluates MSAs for CMS, the Workers Compensation Review Center (WCRC), has raised the costs. Surely this was done with CMS approval, but the only way that we know this is by evaluating the approval letters and counter-higher letters that are generated by the WCRC.

Unfortunately, neither entity provides any warning when they are going to do such an increase. In our experience they have been doing increases once or twice a year. The one item that has been impacted the most by these changes is the spinal cord stimulator. The spinal cord stimulator and the related maintenance items were already very costly to begin with, but CMS increased the cost by about thirty-four percent (34%). This increase includes the cost of the trial stimulator and all associated items such as the permanent stimulator and the yearly maintenance of the stimulator.

How does this impact our clients? If we are preparing an MSA for submission to CMS that includes a spinal cord stimulator and the report we generated more than a few weeks ago, we are contacting our clients and advising them of the recent changes. In most cases we are re-pricing the MSA prior to submission. Nobody is happy with a higher MSA, but until CMS starts to have more transparency in its systems (e.g. alerting the public to price increases and the amount of the increases) there is not a lot more we can do to address this known problem.

New CMS Policy Memo

On June 6, 2008, CMS published a new policy memo (dated May 20, 2008) that only affected life expectancy tables, but has caused confusion about the use of rated ages.

In summary, CMS has changed what tables we are to use when calculating the life expectancy of a claimant. They have simplified the process a little. The result is that (generally speaking) female claimants will lose one year of life expectancy and males will gain one year.

Please note that this memo does not affect our ability to use rated ages to reduce the cost of an MSA.

This is not a big change, but CMS releases policy memos so infrequently we thought we should let you know what the memo contained. Read the memo at the MedAllocators' website:

www.MedAllocators.com