

TERMS AND CONDITIONS FOR BENEFICIARY ADMINISTERED  
MEDICARE SET-ASIDE ACCOUNT

Medicare Beneficiary:

HIC #:

Injury:

Employer:

Federal regulations provide that the liability for work-related injury lifetime medical expenses should not be shifted to Medicare from the responsible party. Accordingly, a portion of a Medicare beneficiary's workers' compensation settlement must be set aside to pay for the beneficiary's future work-related injury or illness medical expenses. 42 C.F.R. § 411.46. Federal regulations also provide that Medicare will not pay for any medical expenses for the work-related injury or illness, after a workers' compensation settlement is received, until the amount of the lump sum settlement allocated to future medical expenses is exhausted. *Id.*

Consequently, in order to comply with the applicable federal regulations and to reasonably recognize Medicare's interests, the claimant will use \$\_\_\_\_\_ from his/her workers' compensation settlement award to fund a Medicare Set-Aside Account. After adhering to the following terms and conditions in administering the Set-Aside Account, then, when the set-aside funds are depleted and a satisfactory final accounting has been provided to the Centers for Medicare & Medicaid Services, (CMS), Medicare will pay for any Medicare covered medical treatment received as a result of the injury sustained at work. However, failure to adhere to any of the following terms and conditions, CMS may regard such a default as a failure to reasonably recognize Medicare's interests and may deny Medicare coverage for all medical treatments due to his/her work-related injuries. The terms and conditions are as follows.

1. Initial Set-Aside Account Funding - The Medicare Set-Aside Account shall initially be funded with \$\_\_\_\_\_ from the proceeds of the \$\_\_\_\_\_ settlement award received in your workers' compensation lawsuit. This account shall be a separate account from your personal savings or checking account.
2. Set-Aside Account Interest Income - The Medicare Set-Aside funds shall be placed in an interest bearing account that is insured by the Federal Deposit Insurance Corporation. A copy of the documents establishing the Medicare Set-Aside Account shall be sent to CMS within 30 days of the workers' compensation settlement award being disbursed.
3. Distribution of the Set-Aside Account Funds - The funds in the Medicare Set-Aside Account shall be used solely for legitimate medical expenses incurred for those medical needs related to or resulting from your work-related injury, which would otherwise be reimbursable or paid for by Medicare. Funds in the Medicare Set-Aside Account shall not be used to pay for medical services not covered by Medicare. A copy of the booklet, "Medicare & You," can be obtained from your local Social Security office for a list of services not covered by Medicare. If there are any questions concerning what Medicare covers, please call 1-800-MEDICARE.

4. Set-Aside Account Interest Income - All interest earned on the Medicare Set-Aside Account will be allowed to accrue in the account and will be used solely for medical expenses, that would otherwise be covered by Medicare.
5. Reimbursement to Medicare - In the event CMS determines that Medicare has paid benefits prior to the depletion of funds in the Medicare Set-Aside Account that should have been paid from the set-aside account, CMS, or its designated fiscal intermediary or carrier, shall have the right to seek and receive reimbursement of any such conditional payments or overpayments from the Medicare Set-Aside Account to the extent that there are funds remaining in the account at that time.
6. Accounting Records - The claimant shall maintain accurate records of the distributions and expenditures from the Medicare Set-Aside Account. Your records should indicate the date of service, the diagnosis, the service received, who received payment and the date of the payment. You shall also retain a receipt or other evidence of each and every payment made from the Medicare Set-Aside Account.
7. Annual & Final Accountings - The claimant will submit an annual accounting to CMS' Medicare contractor for each calendar year no later than March 1 of the following year. You shall notify CMS' Medicare contractor once the Set-Aside Account is depleted and shall submit a final accounting within 60 days of the funds being depleted. The annual and final accounting will include the information set forth in paragraph six and a copy of the receipt or other evidence of every payment made from the Medicare Set-Aside Account.
8. Delivery of Notices & Accountings - Upon approval of the WCMSA allocation, CMS will issue instructions entitled, Administering Your Workers' Compensation Medicare Set-aside Arrangement (WCMSA), along with a self-attestation letter. Annual self-attestation should continue through depletion of the account. It is important that the administrator understands and complies with these instructions. The self-attestation letter must be signed and forwarded to CMS' Medicare contractor (listed on the approval letter from CMS) no later than 30 days after the end of each year (beginning with one year from establishment of the WCMSA account).
9. Distributions Following Death of Beneficiary - In the event that the claimant dies before the funds in the Medicare Set-Aside Account are depleted, the account will continue to exist for 180 days from the date of death to enable any outstanding bills for work-related injury medical expenses that would otherwise be covered by Medicare to be paid. After the 180 days has elapsed, any funds remaining in the Medicare Set-Aside Account shall be paid to the claimant's estate or subject to the State Law.
10. Misappropriated Set-Aside Account Funds - If, after the Medicare Set-Aside Account is depleted, the final accounting reveals that funds in the account were used to pay for items other than legitimate medical expenses for medical needs related to or resulting from the work-related injury, which would otherwise be covered by Medicare, CMS will withhold Medicare coverage for work-related injury medical expenses in an amount equal to the misappropriated funds.

I, \_\_\_\_\_, have read and understood the above-listed terms and conditions. I agree to abide by these terms and conditions in order to protect my ability to obtain Medicare coverage for my work-related injury medical expenses once the Medicare Set-Aside Account is depleted. I understand that if I fail to abide by the above-listed terms and conditions, I may not be eligible for Medicare coverage for my work-related injury medical expenses.

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Claimant

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