



Self-Administration Toolkit for Workers' Compensation Medicare Set-Aside Arrangements (WCMSAs)

For WCMSAs Approved by the
Centers for Medicare & Medicaid Services (CMS)
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Table of Contents

Section 1: Introduction	3
Section 2: Setting Up the WCMSA Bank Account	4
Section 3: How Your WCMSA is Funded	5
Section 4: Using the Account	5
What medical and prescription expenses can I pay for from this account?	5
Can I use the account to pay for anything else?	6
Section 5: What to Tell Your Health Care Providers	7
Who should my health care providers bill?	7
What if my health care provider is also treating me for other problems?	8
Section 6: Reviewing and Paying Your Bills	8
Section 7: Keeping Records	8
Section 8: Annual Attestation	9
Final depletion of funds	10
Section 9: Reporting Changes	11
Medicare entitlement status	11
Section 10: Inheritance	11
Section 11: Topics Unique to Structured WCMSA Accounts	11
What if I do not use all the funds in a year?	12
What happens if my funds run out before the next deposit?	12
Section 12: Where to Get Help	13
Section 13: Letters and Examples	14
Letters for your health care providers: Medical providers	15
Letters for your health care providers: Pharmacy providers	17
Lump-sum annual attestation and expenditure letter	19
Lump-sum annual attestation and expenditure letter: Exhausted lump-sum amount	21
Structured account attestation and expenditure letter: Annual attestation	23
Structured account attestation and expenditure letter: Temporary exhaustion	25
Structured account attestation and expenditure letter: Permanent exhaustion	27
Transaction Record Sample	29
Section 14: Glossary	31

Section 1: Introduction

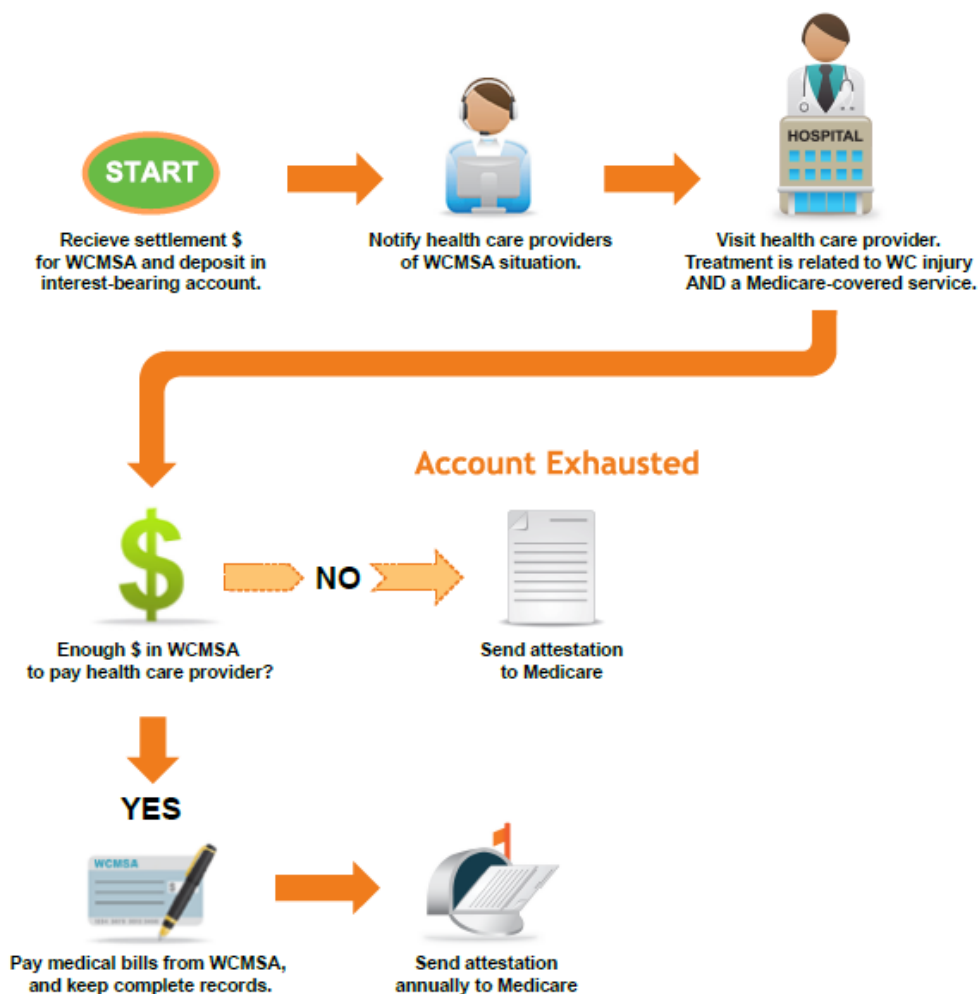
If you have decided to self-administer your CMS-approved Workers' Compensation Medicare Set-Aside Arrangement (WCMSA), this Toolkit can help you manage your account appropriately and satisfy Medicare's interests related to future medical care. Following this Toolkit will also ensure that if you are entitled to Medicare and you have Medicare-covered and otherwise reimbursable ("Medicare covered") costs related to your workers' compensation (WC) claim, Medicare will pay those costs when your WCMSA is used up ("exhausted" or "depleted").

This Toolkit:

- ***Describes*** the self-administration process and guidelines, from when you first set up the WCMSA bank account until all of its funds have been used.
- ***Explains*** who you will work with to manage your WCMSA account.
- ***Discusses*** the two types of WMCSA accounts, lump sum and structured. The lump-sum account is discussed first, and the Toolkit includes a section on [Topics Unique to Structured WCMSA Accounts](#) later on.
- ***Covers*** special circumstances, such as when your Medicare beneficiary status changes.

The following chart gives an overview of the self-administration process:

WCMSA Self-Administration Overview



Section 2: Setting Up the WCMSA Bank Account

You must deposit your WCMSA money from the settlement in its own account, separate from any other accounts you may have. You will ONLY use the funds from this account to pay your future medical treatment and prescription costs related to the WC injury. It must be an account that earns interest and should be insured by the Federal Deposit Insurance Corporation (FDIC). We also recommend an account that does not charge fees when you have a low balance, and that you can write checks from easily.

Section 3: How Your WCMSA is Funded

Your WCMSA may be funded in one of two ways:

- **Lump sum**, in which you receive one check or deposit for your entire WCMSA, from your settlement
- **Structured settlement**, in which you receive an initial deposit and smaller annual payments in following years

If you have a structured settlement, your first check should cover the first two years of funds for treatment plus any associated cost of proposed first surgeries related to the WC injury. Deposit that payment into your separate, interest-bearing WCMSA account. The rest of the money will be distributed in equal sums annually until the limit of the agreed upon amount is reached. You will also deposit that money, as received, into your WCMSA account. Consider asking for the funds to be directly deposited into your WCMSA account.

Section 4: Using the Account

What medical and prescription expenses can I pay for from this account?

Once your WCMSA account is set up, you can **ONLY** use it to pay for medical treatment or prescription drugs related to your WC claim, and **ONLY** if the expense is for a treatment or prescription Medicare would cover. This is true even if you are not yet a Medicare beneficiary (not yet enrolled in Medicare). The WCMSA account may also be used to reimburse Medicare for payments on treatments that should have been covered by the WCMSA after the date of settlement.

Medicare-covered services generally include inpatient care in hospitals and skilled nursing facilities, hospice care, home health care, doctor and health care providers' services, outpatient care, and durable medical equipment. Some prescription drugs are also covered, under traditional Medicare Parts A and B, Medicare Advantage (Part C), or the Medicare Prescription Drug Program (Part D). You should check with your Medicare Advantage or prescription drug plan if you have questions. For an extensive list of services covered and not covered by Medicare, get a copy of the booklet "Medicare & You" from your Social Security

office, or at <https://www.medicare.gov/medicare-and-you/medicare-and-you.html> to get a copy electronically.

CMS will tell your Medicare Advantage or prescription drug plan that a WCMSA has been approved. Insurance plans are not given specific information about treatment and medications that should be covered by the WCMSA. You must tell your insurance plan sponsor any details concerning treatments and medications used exclusively to treat a related illness or injury, so they can avoid making primary payment in the future. CMS requires your plan to contact you or the administrator of your WCMSA to find out which expenses are covered by your WCMSA. The plan must avoid paying for expenses that are included in the WCMSA. The plan has a responsibility to recover any payments it made that should have been paid by the WCMSA. If you do not respond to your plan's investigation efforts, your coverage may be delayed or cancelled.

If you are enrolled in a Medicare Advantage or prescription drug plan, please contact your plan to discuss your WCMSA, if you have not already done so.

If you have a question regarding Medicare's coverage of a specific item, service, or prescription drug, please call 1-800-MEDICARE (1-800-633-4227) or visit Medicare's website at <https://medicare.gov/>, where you can search for the item, service, or drug to see if it's covered.

If an item or service is not covered by Medicare, you will have to pay for it yourself or with other insurance. WCMSA funds may not be used for services that Medicare does not cover.

If you are not yet a Medicare beneficiary, pay all your WC-claim-related, Medicare-covered medical and prescription drug expenses from the account until you become a Medicare beneficiary.

Can I use the account to pay for anything else?

You may also use the WCMSA account to pay for the following costs when they are directly related to the account:

- Cost of copying documents
- Mailing fees/postage
- Any banking fees related to the account
- Income tax on interest income from the account

Note: Interest income generated from your WCMSA account will be shown on an IRS form 1099-INT. You must pay tax on interest income. You must document the amount of tax owed on the interest income from your WCMSA account. You may pay only the tax amount due on your WCMSA account with WCMSA funds. WCMSA funds themselves are not considered taxable income, but the interest they earn is taxable income.

You may **not** use the WCMSA account to pay for:

- fees for trustees, custodians, or other professionals hired to help administer the account
- expenses for administration of the WCMSA (other than those listed above)
- attorney costs for establishing the WCMSA
- Medicare premiums, co-payments, and deductibles

If your settlement includes funds for any of these professional administrative expenses, keep them separate from the WCMSA account.

Section 5: What to Tell Your Health Care Providers

Before you get treatment for your WC injury, you must advise your health care providers about your WCMSA.

Your health care providers should bill you directly, and you should pay them out of your WCMSA account, IF:

- The treatment or prescription is for the WC injury, AND
- The treatment or prescription is something Medicare would cover

Who should my health care providers bill?

If your health care providers mistakenly bill Medicare for your WC-claim-related treatment, remind them to bill you directly so you can pay them from your WCMSA account. Your health care provider is responsible for refunding any payments received from Medicare for bills related to treatment of the WC injury.

What if my health care provider is also treating me for other problems?

If your health care provider is also treating you for conditions not related to your WC injury, be very certain that you do not pay for such treatments using your WCMSA account. Use other insurance, including Medicare or your own funds. If you are not certain whether a treatment is related to your WC injury, ask your health care provider.

Section 6: Reviewing and Paying Your Bills

You should review the bills your health care providers send you to make sure they are billing you only for those items and services BOTH related to your WC claim AND covered by Medicare. See the [Using the Account](#) section of this Toolkit for details on how to find out what Medicare covers. If the bill meets both conditions, you can pay it from your WCMSA account.

Section 7: Keeping Records

You will need to keep clear and accurate records of everything you do with the WCMSA account. Medicare will use these records to determine if the account funds were spent properly. We suggest you use a document like the sample Transaction Record found in the [Letters and Examples](#) section of this toolkit. We recommend that you record your settlement date, diagnosis or injury, and date of injury. For each transaction with the account, please keep track of:

- Transaction date
- Check number (if any, or transaction number if present)
- “Payable to” or health care provider name
- Date of service
- Description (procedure, service, or item received; deposit; interest; other allowable expense)
- Amount paid
- Any deposit amount
- Account balance

Keep an itemized receipt or other proof of each payment made. Also, keep bank statements and tax records. You will not submit these records annually, but Medicare may request them as proof that you are using the account correctly.

Section 8: Annual Attestation

Every year, no later than 30 days after the anniversary date of your Workers' Compensation settlement, you must send an attestation to Medicare's Benefits Coordination & Recovery Center (BCRC) stating that you have used the funds in the account correctly. An attestation is a signed statement: you are "attesting to" your appropriate use of the money. You can find the BCRC's contact information in the [Where to Get Help](#) section of this toolkit.

This attestation is required annually, even if you are enrolled in a Medicare Advantage or prescription drug plan. You should also contact your plan to discuss any changes in medication or treatment that should be covered by the WCMSA.

If you are a beneficiary administering your own account, you can submit your yearly attestation online by accessing the WCMSA Portal through the Medicare.gov website.

If you are a representative or other identified administrator for the account, you can log in directly to the WCMSA Portal to submit the yearly attestation. To access, go to <https://www.cob.cms.hhs.gov/WCMSA/>.

The WCMSAP User Guide, available under the Reference Materials header once you log in to the site, has details about submitting your attestation online. The wording on the forms is the same as you will find later in this toolkit.

You will use the letter titled "Workers' Compensation Medicare Set-Aside Arrangement (WCMSA)—Account Expenditure for Lump-Sum" or "Workers' Compensation Medicare Set-Aside Arrangement (WCMSA)—Account Expenditure for Structured Account." You must do this even if you are not yet a Medicare beneficiary. The attestation will include:

- Total spent for medical services
- Total spent for prescription drugs
- Grand total of expenditures
- Total of interest income the account earned, if any
- Balance of WCMSA account at the end of the calendar year

When you planned your WCMSA, you may have set aside an amount for prescription medications as well as medical expenses. It is not important if what you spend from your WCMSA does not match how you expected to spend it. For example, if your WCMSA is funded for \$10,000, with \$7,000 for prescriptions and \$3,000 for medical expenses, and you spend \$6,000 on prescriptions and \$4,000 on medical expenses, you've still used the account correctly. Report the amounts as you actually spent them.

Sample attestation letters can be found in the [Letters and Examples](#) section of this Toolkit. Blank attestation letters with your Medicare ID (that is, your health insurance claim number [HICN] or Medicare Beneficiary Identifier [MBI]) or Social Security Number (SSN) can be found in your WCMSA approval package from Medicare.

Final depletion of funds

When your WCMSA account has no money left in it and you do not expect a future deposit of funds, it is said to be permanently “exhausted” or “depleted.” Within 60 days of the date your account is depleted, send the BCRC a final attestation letter and say in the letter that the account is “completely exhausted.” The attestation letters for both lump-sum and structured accounts include options for permanent account exhaustion. If Medicare is satisfied that the right amount of money has been spent appropriately, Medicare will pay for future treatments for this work injury.

Note that CMS will continue to deny claims related to the WC injury until final exhaustion attestation is received and documented. Attestation is highly important to ensure claims are paid properly after exhaustion.

Section 9: Reporting Changes

If you move, send your new address to the bank or financial institution that holds your WCMSA account.

If at any time you are not confident administering the WCMSA yourself, you may want to seek advice from a lawyer or from a Medicare advocacy organization. You may also consider appointing a representative to administer your account for you.

Medicare entitlement status

If you lose your Medicare entitlement, you are not entitled to a release of funds from your WCMSA account. Please refer to the [Using the Account](#) section of this toolkit for details on your Medicare status and your WCMSA account. You may continue to use those funds to pay for care related to the settled injury.

Section 10: Inheritance

Be sure to have someone notify the BCRC if death occurs before the WCMSA is permanently exhausted.

In this case, the BCRC will make sure that all bills related to the WC claim have been paid. This may involve holding the WCMSA open for some time after the date of death, as health care providers can submit their first bill to Medicare up to 12 months after the date of service. Then any amount left over in the WCMSA may be paid out according to state law, once Medicare's interests have been protected. Often, the settlement itself will state how to spend funds after the death of the claimant and payment of care-related expenses.

Section 11: Topics Unique to Structured WCMSA Accounts

All of the information in previous sections applies to both lump-sum and structured accounts. But there are some issues that only come up with structured WCMSA accounts. Because of the way structured accounts are set up, the amount

of money in the account at the end of each accounting period (year) may not be predictable. In the following sections, we explain the possibilities.

What if I do not use all the funds in a year?

If you have funds left over at the end of a year, they remain in the account and are carried forward to the next year. The following year, you will be able to use the annual deposit money as well as whatever was carried forward. If there is excess money in that next year, that too is carried forward, and the account is used in this manner until all the funds accumulated in it are appropriately used up.

What happens if my funds run out before the next deposit?

It is also possible to use up the entire amount in the account before the next annual deposit arrives. If this happens, there are two possible courses of action:

- If you are a **Medicare beneficiary**: Send an attestation letter to the BCRC saying your account is temporarily depleted, and bill Medicare for the additional expenses you have for your WC injury, until the next annual deposit to your WCMSA account arrives. You will have alternating primary payers in this case: first yourself via the WCMSA, then Medicare while your WCMSA is depleted, and then you via the WCMSA when it is funded again.

This can be confusing for health care providers. Be sure to be clear with them at what point they should bill Medicare instead of the WCMSA account through you. In the event that you have WCMSA funds to pay part of a bill, ask health care providers to send the entire bill to Medicare and do not pay the bill yourself.

- If you are **not a Medicare beneficiary**: If you have other insurance, use that insurance to pay for the WC injury treatments until the WCMSA is funded again. If you have no other insurance, you will have to pay out of pocket for treatments until the WCMSA is funded again.

Section 12: Where to Get Help

For questions about Medicare's coverage of a specific item, service, or prescription drug, to help determine if you may pay for it from your WCMSA account:

Please call 1 800-MEDICARE (1-800-633-4227)

Or visit Medicare's website: <https://medicare.gov/>.

For questions about setting up a WCMSA account or administering the account, please call the Medicare Regional Office customer service line, at 833-731-4677.

For questions about annual attestations or annual accountings, contact the Benefit Coordination & Recovery Center (BCRC):

By telephone:

1-855-798-2627

Monday–Friday, 8:00 a.m.–8:00 p.m., Eastern time

TTY/TDD number for the hearing and speech impaired:

1-855-797-2627

By fax:

405-869-3309

By mail:

For WCMSA Proposals, Final Settlements, and Re-Review Requests:

WCMSA Proposal/Final Settlement

P.O. Box 138899

Oklahoma City, OK 73113-8899

Section 13: Letters and Examples

Sample documents and letters are available here. Blank documents can be found at <https://go.cms.gov/WCMSASelfAdm> on Medicare’s website.

What medical and prescription expenses can I pay for from this account? .5	5
Can I use the account to pay for anything else?.....6	6
Who should my health care providers bill?7	7
What if my health care provider is also treating me for other problems?....8	8
Final depletion of funds10	10
Medicare entitlement status11	11
What if I do not use all the funds in a year?12	12
What happens if my funds run out before the next deposit?.....12	12
Letters for your health care providers: Medical providers.....15	15
Letters for your health care providers: Pharmacy providers.....17	17
Lump-sum annual attestation and expenditure letter19	19
Lump-sum annual attestation and expenditure letter: Exhausted lump-sum amount.....21	21
Structured account attestation and expenditure letter: Annual attestation.23	23
Structured account attestation and expenditure letter: Temporary exhaustion25	25
Structured account attestation and expenditure letter: Permanent exhaustion27	27
Transaction Record Sample29	29

Letters for your health care providers: Medical providers

You should ask your health care providers to bill you for your WC injury treatments, and tell them which pricing method was used. (Information about pricing method will be included in your WCMSA.) We suggest you send or give your health care providers a letter with content similar to the following sample letter. The areas you should change to describe your own circumstances are highlighted. This sample letter is from a claimant who is not yet entitled to Medicare, but has other insurance.

Patient Name: Jane Doe

Workers' Compensation Settlement Date: 8/7/12

Workers' Compensation injury/diagnosis: Bimalleolar ankle fracture, open, 824.5

I have a Workers' Compensation Medicare Set-Aside (WCMSA) account that will pay primary for treatment related to the above WC injury only. Please bill me directly for these treatments. I will reimburse you through the WCMSA account. For services that are not covered by Medicare, or that are not related to my WC injury, please bill those separately to my other insurance company, Large Insurance Company, Incorporated.

Letters for your health care providers: Medical providers, for Medicare beneficiaries

You should ask your health care providers to bill you for your WC injury treatments, and tell them which pricing method was used. (Information about pricing method will be included in your WCMSA.) We suggest you send or give your health care providers a letter with content similar to the following sample letter. The areas you should change to describe your own circumstances are highlighted. This sample letter is from a claimant who is a Medicare beneficiary.

Patient Name: JaneDoe

Medicare ID: 12A3AA4AA56

Workers' Compensation Settlement Date: 8/7/12

Workers' Compensation injury/diagnosis: Bimalleolar ankle fracture, open, 824.5

I have a Workers' Compensation Medicare Set-Aside (WCMSA) account that will pay primary for medications related to the above WC injury only. Please bill me directly for these treatments. I will reimburse you through the WCMSA account. For prescriptions not related to my WC injury, please bill Medicare directly.

Letters for your health care providers: Pharmacy providers

Before using your WCMSA account to pay for prescriptions for treatment of your WC injury, give your prescription providers, such as pharmacies, a letter like this sample, from a claimant who is not yet entitled to Medicare, but who has other insurance:

Patient Name: Jane Doe

Workers' Compensation Settlement Date: 8/7/12

Workers' Compensation injury/diagnosis: Bimalleolar ankle fracture, open, 824.5

I have a Workers' Compensation Medicare Set-Aside (WCMSA) account that will pay primary for medications related to the above WC injury only. Please bill me directly for these medications. I will reimburse you through the WCMSA account. For medications that are not covered by Medicare, or that are not related to my WC injury, please bill those separately to my other insurance company, Large Insurance Company, Incorporated.

Letters for your health care providers: Pharmacy providers, for Medicare beneficiaries

Before using your WCMSA account to pay for prescriptions for treatment of your WC injury, give your prescription providers, such as pharmacies, a letter like this sample, from a claimant who is a Medicare beneficiary:

Patient Name: Jane Doe

Medicare ID: 12A3AA4AA56

Workers' Compensation Settlement Date: 8/7/12

Workers' Compensation injury/diagnosis: Bimalleolar ankle fracture, open, 824.5

I have a Workers' Compensation Medicare Set-Aside (WCMSA) account that will pay primary for medications related to the above WC injury only. Please bill me directly for these treatments. I will reimburse you through the WCMSA account. For prescriptions not related to my WC injury, please bill Medicare directly.

Lump-sum annual attestation and expenditure letter

Blank copies of this letter should be included in your WCMSA package. Use this letter for your annual attestation if you have a lump-sum WCMSA. Annually you will check or circle #1 and fill in the appropriate blanks. You and a witness need to sign and date the document and send it within 30 days of your settlement anniversary date.

In this sample, the claimant has filled in the date and total WCMSA funding amount near the top of the document, circled #1, noted the dates of the annual accounting period and the amounts spent for medical expenses, prescription expenses, the grand total of expenditures, total interest income earned (if applicable), the balance of the account at the attestation period, and signed and dated the document with a witness.

Unless you are using the WCMSA Portal or Medicare.gov to submit your attestations electronically, mail all yearly account attestations and expenditure letters to:

NGHP

P.O. Box 138832

Oklahoma City, OK 73113

**Workers' Compensation Medicare Set-Aside Arrangement (WCMSA)
Attestation of Expenditure for Lump Sum Account**

If you are **not** submitting your attestation on the WCMSAP, this attestation should be completed annually and mailed to the BCRC at "NGHP, PO Box 138832, Oklahoma City, OK 73113," or electronically on the WCMSA Portal starting one year from the date the account is established.

Note: Please make several copies of this document, because you must send it to the Benefits Coordination & Recovery Center (BCRC) each year until all of your WCMSA funds have been appropriately exhausted (properly spent).

Jane Doe
123456789A

Date: 8/14/2024

Total WCMSA amount in CMS' approval letter: \$50,000

Individuals who have a CMS-approved WCMSA amount may only use the funds in the WCMSA account to pay for Medicare-covered and otherwise reimbursable items and services that are related to the workers' compensation claim.

(Please circle one.)

1. I, the undersigned, attest that I have a **lump sum** WCMSA account and have used the monies from the WCMSA account for the period of 6/1/2023 to 5/1/2024 to pay for the following:

Medical services: \$15,000

Prescription drug expenses: \$10,000

2. I, the undersigned, attest that I have a **lump sum** WCMSA account and have **COMPLETELY EXHAUSTED** the monies in the WCMSA account for the period of 6/1/2023 to 5/1/2024 to pay for the following:

Medical services: \$ _____

Prescription drug expenses: \$ _____

I acknowledge and understand that failure to appropriately exhaust my WCMSA amount on Medicare-covered and otherwise reimbursable items and services, including prescription drugs, related to my workers' compensation claim will result in Medicare denying payment for related medical items and services up to the approved WCMSA amount or the total workers' compensation settlement, judgment, award, or other payment amount, whichever is less.

<u>Jane Doe</u>	<u>8/14/2024</u>
Signature	Date

<u>John Doe</u>	<u>8/14/2024</u>
Witness	Date

CMS reserves the right to audit how you spent the funds in your WCMSA account. Therefore, CMS recommends that you retain your WCMSA records for a period of seven (7) years. However, please do not send your receipts or bank statements to CMS or the BCRC except on request.

Lump-sum annual attestation and expenditure letter: Exhausted lump-sum amount

Blank copies of this letter should be included in your WCMSA package. Follow these instructions for your annual attestation if you have completely used up (exhausted) your lump-sum WCMSA. You will check or circle #2 and fill in the amounts. You and a witness need to sign and date the document and send it within 60 days of your account being used up.

In this sample, the claimant has filled in the date and total WCMSA funding amount near the top of the document, circled #2, noted the dates of the annual accounting period and the amounts spent for both medical expenses and prescription expenses, and signed and dated the document with a witness.

**Workers' Compensation Medicare Set-Aside Arrangement (WCMSA)
Attestation of Expenditure for Lump Sum Account**

If you are **not** submitting your attestation on the WCMSAP, this attestation should be completed annually and mailed to the BCRC at "NGHP, PO Box 138832, Oklahoma City, OK 73113," or electronically on the WCMSA Portal starting one year from the date the account is established.

Note: Please make several copies of this document, because you must send it to the Benefits Coordination & Recovery Center (BCRC) each year until all of your WCMSA funds have been appropriately exhausted (properly spent).

Jane Doe
123456789A

Date: 8/14/2024

Total WCMSA amount in CMS' approval letter: \$50,000

Individuals who have a CMS-approved WCMSA amount may only use the funds in the WCMSA account to pay for Medicare-covered and otherwise reimbursable items and services that are related to the workers' compensation claim.

(Please circle one.)

1. I, the undersigned, attest that I have a **lump sum** WCMSA account and have used the monies from the WCMSA account for the period of _____ to _____ to pay for the following:

Medical services: \$ _____

Prescription drug expenses: \$ _____

2. I, the undersigned, attest that I have a **lump sum** WCMSA account and have **COMPLETELY EXHAUSTED** the monies in the WCMSA account for the period of 6/1/2023 to 5/1/2024 to pay for the following:

Medical services: \$1,437.73

Prescription drug expenses: \$948.88

I acknowledge and understand that failure to appropriately exhaust my WCMSA amount on Medicare-covered and otherwise reimbursable items and services, including prescription drugs, related to my workers' compensation claim will result in Medicare denying payment for related medical items and services up to the approved WCMSA amount or the total workers' compensation settlement, judgment, award, or other payment amount, whichever is less.

Jane Doe

Signature

8/14/2024

Date

John Doe

Witness

8/14/2024

Date

CMS reserves the right to audit how you spent the funds in your WCMSA account. Therefore, CMS recommends that you retain your WCMSA records for a period of seven (7) years. However, please do not send your receipts or bank statements to CMS or the BCRC except on request.

Structured account attestation and expenditure letter: Annual attestation

Blank copies of this letter should be included in your WCMSA package. Use this letter for your annual attestation if you have a structured WCMSA. You will check or circle #1 and fill in the appropriate blanks. You and a witness need to sign and date the document and send it within 30 days of your settlement anniversary date.

In this sample, the claimant has filled in the date and total WCMSA funding amount near the top of the document, circled #1, noted the dates of the annual accounting period and the amounts spent for medical and prescription drug expenses, grand total of expenditures, whether and how much total interest the account earned, and the balance of the account at the end of the attestation period, and signed and dated the document with a witness.

Structured account attestation and expenditure letter: Temporary exhaustion

Blank copies of this letter should be included in your WCMSA package. Follow the instructions for this annual attestation if you have used up (exhausted) the funds in your structured WCMSA, but another annual deposit is scheduled. You will check or circle #2 and fill in the appropriate blanks. You and a witness need to sign and date the document and send it within 60 days of your account being temporarily used up.

In this sample, the claimant has filled in the date and total WCMSA funding amount near the top of the document, circled #2, noted the relevant dates (the first date will be the start date of the annual accounting period) and the amounts spent for medical expenses, prescription drug expenses, the grand total of expenditures, whether and how much total interest the account earned, and the balance of the account at the end of the attestation period, and signed and dated the document with a witness.

Workers' Compensation Medicare Set-Aside Arrangement (WCMSA) Attestation of Expenditure for Structured Annuity

This attestation should be completed annually or when your annual funds have been temporarily exhausted for the year and when your WCMSA has been permanently exhausted, whichever comes first, and submitted using the WCMSA Portal or mailed to the BCRC at "NGHP, PO BOX 138832, Oklahoma City, OK 73113," or electronically online by accessing the WCMSA Portal through the Medicare.gov website starting one year from the date the account is established.

Note: Please make several copies of this attestation if submitting by mail, because you must send it to the BCRC each year until all of your WCMSA funds have been appropriately exhausted (properly spent).

Claimant's Name: Jane Doe
Medicare ID/SSN: 123456789

Date: 8/14/2024
Total WCMSA amount in CMS' approval letter: \$50,000

Individuals who have a CMS-approved WCMSA account as part of a workers' compensation settlement agreement may only use the funds in the WCMSA account to pay for Medicare-covered and otherwise reimbursable items and services that are related to the workers' compensation claim.

Please select the applicable attestation statement below

- I, the undersigned, attest that I have a **structured annuity** WCMSA and have used the monies from the WCMSA account for the period of _____ to _____ to pay for the following:

Medical expenses: \$ _____
 Prescription drug expenses: \$ _____
 Grand total of expenditures: \$ _____
 Total of interest income the account earned, if any: \$ _____
 Balance of WCMSA account at the end of the Attestation period: \$ _____

2. I, the undersigned, attest that I have a **structured annuity** WCMSA and have **EXHAUSTED** the annual money (and any applicable carry-over from previous years) in the WCMSA account for the period of 6/12/2023 to 5/1/2024 to pay for the following:

Medical expenses: \$15,000
 Prescription drug expenses: \$10,000
 Grand total of expenditures: \$25,000
 Total of interest income the account earned, if any: \$0
 Balance of WCMSA account at the end of the Attestation period: \$25,000

- I, the undersigned, attest that I have a **structured annuity** WCMSA and have **COMPLETELY EXHAUSTED** all monies in the WCMSA account to pay for the following:

Medical expenses: \$ _____
 Prescription drug expenses: \$ _____

I acknowledge and understand that failure to appropriately exhaust my WCMSA amount on Medicare-covered and otherwise reimbursable items and services, including prescription drugs, related to my workers' compensation claim will result in Medicare denying payment for related medical items and services up to the approved WCMSA amount or the total workers' compensation settlement, judgment, award, or other payment amount, whichever is less.

<u>Jane Doe</u>	<u>8/14/2024</u>
Signature	Date

<u>John Doe</u>	<u>8/14/2024</u>
Witness	Date

CMS reserves the right to audit how you spent the funds in your WCMSA account. Therefore, CMS recommends that you retain your WCMSA records for a period of seven (7) years. However, please do not send your receipts or bank statements to CMS or the BCRC except on request.

Structured account attestation and expenditure letter: Permanent exhaustion

Blank copies of this letter should be included in your WCMSA package. Follow the instructions for your annual attestation and expenditure to report that your structured account has been permanently exhausted. You will use this attestation when your account is empty and the last deposit from the settlement has been received, so you are not expecting further deposits.

In the sample below, the claimant has filled in date and total WCMSA funding amount near the top of the document, circled #3, listed the amounts spent for both medical expenses and prescription expenses, and signed and dated the document with a witness.

Workers' Compensation Medicare Set-Aside Arrangement (WCMSA) Attestation of Expenditure for Structured Annuity

This attestation should be completed annually or when your annual funds have been temporarily exhausted for the year and when your WCMSA has been permanently exhausted, whichever comes first, and submitted using the WCMSA Portal or mailed to the BCRC at "NGHP, PO BOX 138832, Oklahoma City, OK 73113," or electronically online by accessing the WCMSA Portal through the Medicare.gov website starting one year from the date the account is established.

Note: Please make several copies of this attestation if submitting by mail, because you must send it to the BCRC each year until all of your WCMSA funds have been appropriately exhausted (properly spent).

Claimant's Name: Jane Doe
Medicare ID/SSN: 123456789

Date: 5/1/2024
Total WCMSA amount noted in CMS' approval letter: \$50,000

Individuals who have a CMS-approved WCMSA account as part of a workers' compensation settlement agreement may only use the funds in the WCMSA account to pay for Medicare-covered and otherwise reimbursable items and services that are related to the workers' compensation claim.

Please select the applicable attestation statement below

1. I, the undersigned, attest that I have a **structured annuity** WCMSA and have used the monies from the WCMSA account for the period of _____ to _____ to pay for the following:

Medical expenses: \$ _____
Prescription drug expenses: \$ _____
Grand total of expenditures: \$ _____
Total of interest income the account earned, if any: \$ _____
Balance of WCMSA account at the end of the Attestation period: \$ _____

2. I, the undersigned, attest that I have a **structured annuity** WCMSA and have EXHAUSTED the annual money (and any applicable carry-over from previous years) in the WCMSA account for the period of _____ to _____ to pay for the following:

Medical expenses: \$ _____
Prescription drug expenses: \$ _____
Grand total of expenditures: \$ _____
Total of interest income the account earned, if any: \$ _____
Balance of WCMSA account at the end of the Attestation period: \$ _____

3. I, the undersigned, attest that I have a **structured annuity** WCMSA and have **COMPLETELY EXHAUSTED** all monies in the WCMSA account to pay for the following:

Medical expenses: \$4,592.93
Prescription drug expenses: \$5,624.73

I acknowledge and understand that failure to appropriately exhaust my WCMSA amount on Medicare-covered and otherwise reimbursable items and services, including prescription drugs, related to my workers' compensation claim will result in Medicare denying payment for related medical items and services up to the approved WCMSA amount or the total workers' compensation settlement, judgment, award, or other payment amount, whichever is less.

Jane Doe _____ 8/14/2024
Signature Date

John Doe _____ 8/14/2024
Witness Date

CMS reserves the right to audit how you spent the funds in your WCMSA account. Therefore, CMS recommends that you retain your WCMSA records for a period of seven (7) years. However, please do not send your receipts or bank statements to CMS or the BCRC except on request.

Transaction Record Sample

Keep a record of every transaction in your WCMSA account, and its balance after each transaction. You can use a document like this to do so. In this document, list your name, settlement date, diagnosis (with codes if you know them), and date of injury. Then keep track of all deposits to and withdrawals from your account, and the resulting balance. A new transaction record should be started for each year.

With each transaction, record details in as many columns as apply to that transaction. For example, in the sample below, the lines for initial deposit and interest (8/14/12 and 11/14/12) only show the date, description, amount, and balance. There is no check number, provider name, date of service, or paid amount, because those do not apply to the initial deposit or account interest payment. The lines relating to medical services, for example 8/30/12, have all fields included except "Deposit." The two lines for 4/15/13 represent income tax payments, and thus have check numbers, payable to, description, and paid amount, but not date of service or billed amount, since no service was involved.

Transaction Record WCMSA Account

Claimant Name: Jane Doe

Diagnosis: Bimalleolar ankle fracture, open, 824.5

Settlement Date: 8/7/12

Date of Injury: 1/14/12

Date	Check #	Payable to/ Provider Name	Date of Service	Description	Paid Amount	Deposit	Balance
8/14/12				Initial deposit		\$50,000	\$50,000
8/30/12	1001	Dr. K. Smith	8/30/12	Office visit; x-rays	\$150		\$49,850
9/5/12	1002	PT Associates/Jo Marsh	9/5/12	Physical therapy	\$100		\$49,750
9/19/12	1003	PT Associates/Jo Marsh	9/19/12	Physical therapy	\$100		\$49,650
9/24/12	1004	General Hospital	9/24/12	Pre-surgical tests	\$250		\$49,400
10/2/12	1005	General Hospital	9/26/12	Surgery	\$19,350		\$30,050
10/2/12	1006	Dr. Lisa Murphy	9/26/12	Anesthesia	\$10,000		\$20,050
10/3/12	1007	Dr. K. Smith	10/3/12	Office visit, post-surgical	\$150		\$19,900
10/5/12	1008	PT Associates/Jo Marsh	10/5/12	Physical therapy	\$100		\$19,800
10/19/12	1009	PT Associates/Jo Marsh	10/19/12	Physical therapy	\$100		\$19,700
11/14/12				Interest		\$262.50	\$19,962.50
4/15/13	1010	Cash		Taxes on interest income—Federal	\$26.25		\$19,936.25
4/15/13	1011	Cash		Taxes on interest income—State	\$12.21		\$19,924.04

Section 14: Glossary

Term	Definition
Accounting	A record of deposits to and withdrawals from your WCMSA account, sent every year to the BCRC with your attestation.
Accounting period	Each yearly accounting period begins on the date of your settlement.
Attestation	A signed letter stating that you have used the funds in your account correctly (you “attest to” their proper use), and noting how much money is in the account. You will send an attestation each year along with an accounting.
Average wholesale price (AWP)	AWP is used to price prescription drugs. Red Book is the source for these prices: https://www.merative.com/documents/brief/micromedex-redbook-brochure
Benefits Coordination & Recovery Center (BCRC)	The BCRC is responsible for coordination of benefits (COB) activities for both Group Health Plans and Non-Group Health Plans (that is, liability insurance, including self-insurance, no-fault insurance, and workers’ compensation laws or plans) and Recovery activities for Non-Group Health Plans. Recovery activities are those in which Medicare recovers payments it has made when another insurer should have paid first.
Centers for Medicare & Medicaid Services (CMS)	CMS is the government agency responsible for administering Medicare and Medicaid.
Claimant	A person who submits a WC claim. A claim is a request for payment for services and benefits you received.
Depleted	An account that is depleted has no money in it; it is used up.
Exhausted	An account that is exhausted has no money in it; it is used up.
Fee schedule	Payment rates for medical items and services negotiated between WC in a given state and provider groups in that state.
Full actual charges	The actual cost of a medical item or service.
Lump-sum settlement	A settlement in which the agreed-on funds are paid out all at once in one amount.

Term	Definition
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Medicare	The federal health insurance program for: people 65 years of age or older, certain younger people with disabilities, and people with End-Stage Renal Disease (permanent kidney failure with dialysis or a transplant, sometimes called ESRD).
Regional Office (RO)	The Medicare RO processes final settlement documentation.
Structured settlement	A settlement in which the agreed-on funds are paid out over time beginning with an initial deposit and continuing with similar deposits on a regular basis for a given amount of time until the full agreed-on amount is paid.
Workers' Compensation (WC)	WC is a state government program set up to provide wage replacement and medical benefits to workers injured on the job.
Workers' Compensation Medicare Set-Aside Arrangement (WCMSA)	A WCMSA is set up to ensure that all future medical and drug or pharmacy expenses for a work-related injury that would otherwise be payable by Medicare are covered by a WC settlement.
WCMSA Portal (WCMSAP)	An administration hub for submitting WCMSA proposed amounts and administering established WCMSA accounts. Log in to this directly or through Medicare.gov.