



WORKERS' COMPENSATION MEDICARE SET-ASIDE ARRANGEMENT

CLAIMANT:	Mr. James Lee Richards	CARRIER:	Ohio Bureau of Workers' Compensation
ADDRESS:	Address	ADDRESS:	Address
PHONE:	123/456-7899	PHONE:	123/456-7899
SSN:	123-54-6789	FAX:	123/456-7899
GENDER:	Male	CLAIM#:	987765
DOB:	02/01/57, Age 57		
MEDIAN RATED AGE:	58	EMPLOYER:	United Construction
LIFE EXPECTANCY:	24.7 years (rounded to 24)	ADDRESS:	Address
DATE OF ACCIDENT:	03/01/12	PHONE:	123/456-7899
JURISDICTION:	Ohio	FAX:	n/a
DIAGNOSIS:	Lumbosacral sprain, 846.0 L4-5 & L5-S1 annular tear, 722.10 L4-5 & L5-S1 bulging discs, 722.2 Gastritis, 535.40 Major Depression, 296.23		
SOCIAL SECURITY DISABILITY STATUS:	Receiving	DEFENSE ATTY: FIRM:	Defense attorney
MEDICARE STATUS:	Receiving Part A & Part B	ADDRESS:	n/a
HICN:	123-54-6789A	PHONE:	123/456-7899
SETTLEMENT DATE:	12/11/14	FAX:	123/456-7899
SETTLEMENT AMOUNT/FUNDING:	\$300,000 (pending MSA) Structure		
MSA FUNDING:	Lump sum	PLAINTIFF ATTY:	Plaintiff attorney
MSA ADMINISTRATION:	Self	ADDRESS:	Address
MSA CALCULATION:	Ohio Fee Schedule	PHONE:	123/456-7899
REPORT DATE:	01/08/15	FAX:	123/456-7899
MSA ALLOCATOR:	Shelene Giles, BSN, BA, MS, RN, CRC, CNLCP, CLCP, MSCC	CONSENT TO RELEASE SIGNED:	Yes

Medicare Covered Proposed Amount (Medical Care): \$ 24,791.00

Medicare Covered Proposed Amount (Medications): \$ 5,193.00

WCMSA Proposed Amount: \$ 29,984.00

Annuity Information

Seed amount: \$ 2,499.00

Annual payment amount: \$ 1,195.00



The total Workers' Compensation Medicare Set-Aside (WCMSA) recommended amount is \$29,984, inclusive of both future medical and future prescription treatment. Should an annuity be utilized to fund the MSA account, a seed amount of \$2,499 (to include first two years medical/prescription costs) would be recommended with the remaining funds to be divided over the remaining life expectancy. The remaining annual payments (life expectancy -1) would be in the amount of \$1,195.00.

It is anticipated the WCMSA Arrangement will assist in the claim settlement for future medical care by **adequately addressing the interests of Medicare**. This WCMSA Arrangement was developed by using information found in medical records, miscellaneous documentation, correspondence, and experience by this Nurse Life Care Planner/MSA Allocator. The WCMSA Arrangement of future expenses is based on the research and opinion of the author of this plan. If more information becomes available at a later date, an additional report will be considered to update the MSA. Additional information may or may not change the WCMSA Arrangement. The recommended allocation may be recalculated and/or reduced upon receipt of additional medical information. Should there be a significant change in medical treatment, additional medical records should be provided and the WCMSA Arrangement should be reviewed/revised as needed. Significant changes in medical condition and/or new medical information not available at the time of this WCMSA Arrangement writing that would change the future medical cost allocation before CMS approval, requires CMS notification and submission of a revised WCMSA Arrangement reflecting these changes.

All figures in the WCMSA Arrangement may be based on one or all of the following sources: Workers' Compensation Fee Schedule, Physicians' Fee Reference – National Fee with geographical modifier, Redbook, and current health care provider/vendor charges based on treatment rendered within the last three years along with projected treatments according to the injured workers' diagnoses. When applicable, medical costs are based on the Workers' Compensation Medical Fee Schedule. When the Workers' Compensation Medical Fee Schedule does not apply, reasonable estimated costs are included when actual costs were not attainable. These costs are rounded to the nearest dollar. Present day costs were utilized and no provision has been made for future inflation. This WCMSA Arrangement is subject to CMS approval if the settlement meets CMS' threshold criteria. Where possible, efforts have been made to adequately consider Medicare's interest.

Per the CMS Policy ID 3976, certain classifications of medication are not covered under Medicare Part D Prescription Drug Program. These medications include, but not limited to, barbiturates and over the counter medications. If applicable, these drugs are identified separately and are not included in the WCMSA Arrangement.



Introduction

Mr. Richards was referred by Attorney for the development of a WCMSA Arrangement to assess future medical costs related to the injury dated 03/01/12. This report will provide the recommended Medicare Set-Aside Arrangement and other preliminary information to consider for the settlement proposal.

Medical Records Reviewed (03/12 thru 09/14)

Primary Care Physician	(date)
Psychologist	(date)
Physiatrist (Independent Medical Examination)	(date)
Psychiatrist (Independent Medical Examination)	(date)
Psychologist (Independent Medical Examination)	(date)
Occupational Medicine	(date)
Medical claim payout summary/pharmacy summary	

Description of Injury/Medical Care Summary

On March 1, 2012, Mr. Richards was working as a laborer for Employer when he fell down a flight of stairs and had immediate onset of lumbar symptoms. A lumbar MRI (05/23/12) revealed degenerative changes at L4-5 and L5-S1 levels. Diagnosis included: lumbar sprain/strain, L4-5 & L5-S1 annular tears, and L4-5 & L5-S1 bulging discs. He sought conservative medical treatment from Primary Care Physician. Mr. Richards's conservative treatment (medications, physical therapy, and lumbar epidural injection) provided minimal relief of symptoms. Subsequently, Mr. Richards developed gastritis as a side effect of prescription medications related to the accident. Medical records indicated Mr. Richards developed symptoms of depression and was referred to Dr. John/Psychologist for evaluation/ treatment of his psychological condition.

In 2012, Mr. Richards was evaluated by Psychiatrist who confirmed the diagnosis of Depression. Recommendations included anti-depressant medications and psychological counseling sessions. Medical records indicated Mr. Richards continued psychological care under Dr. Psychologist with partial relief of depressive symptoms.

On 07/18/13, Physiatrist noted Mr. Richards reached Maximum Medical Improvement regarding the lumbar injury. Dr. Davis confirmed the diagnosis of a lumbar sprain/strain and annular tear at L4-5 and L5-S1. Dr. Davis recommended continued conservative treatment.

In 2013, Mr. Richards was also evaluated by Dr. Psychologist and Dr. Psychiatrist. Dr. Farrell and Dr. Levy noted Mr. Richards had reached Maximum Medical Improvement regarding the diagnosis of Depression.

In 2014, Mr. Richards was evaluated by Dr. Psychologist. Dr. Skillings confirmed the diagnosis of Depression as well as Maximum Medical Improvement. Mr. Richards was also evaluated by Occupational Medicine. Dr. Ross confirmed the compensable diagnoses of lumbosacral sprain, L4-5 and L5-S1 annular tears, L4-5 and L5-S1 bulging discs, and medication induced gastritis. Dr. Ross assigned



an 8% whole person impairment rating regarding the lumbar injury, 5% whole person impairment rating regarding the gastritis, and a 12% total whole person impairment rating.

For the past two years, medical records indicated Mr. Richards has continued conservative treatment with Dr. Primary Care and Dr. Psychologist. Medical treatment included: prescription medications, lumbar brace, cane, psychological counseling sessions, and physician follow-up care.

Current Medical Providers & Medical Treatment

Medical records indicated Mr. Richards has continued conservative care with Dr. Primary Care for his lumbar injury. In February 2014, Dr. Primary Care recommended a short course of physical therapy for symptom relief. Mr. Richards reported no relief and an increase in symptoms while attending physical therapy. Dr. Primary Care provides prescription medications and a follow-up appointment on a monthly basis.

A letter, dated 06/08/14, was forwarded to Dr. Primary Care requesting clarification of long term prescription medications. On 06/14/14, Dr. Primary Care re-evaluated Mr. Richards and indicated the following in his office note - Mr. Richards requires the following prescription medications over the next five years: Neurontin, Flexeril, Ultram, and Methadone. Per Dr. Primary Care's response, medications are calculated for the next five years and included in the attached MSA tables.

Also, yearly lab work is recommended over the next five years to assess for side effects related to prescription medications. Following the next five years of prescription medications, it is reasonable to recommend quarterly appointments with Dr. Primary Care for reassessment.

Medical records indicated Mr. Richards has sought psychological care from Dr. Psychologist for the diagnosis of Major Depression. On 03/01/14, Dr. Psychologist recommended Mr. Richards continue psychological counseling sessions on a monthly basis for maintenance/stabilization. Medical claim payout summary indicated Mr. Richards was last evaluated by Dr. Psychologist on 12/14/14. Since the assignment of MMI, Mr. Richards has not been consistent in attending monthly psychological counseling sessions. Mr. Richards confirmed Dr. Psychologist was weaning his frequency of psychological counseling sessions. Therefore, maintenance appointments with Dr. Psychologist are recommended on a quarterly basis.

Given the diagnosis of L4-5 and L5-S1 annular tears/bulging discs, it is reasonable to recommend periodic appointments with an orthopedist as well as diagnostic studies to assess Mr. Richards's lumbar condition.

Recent communication with Mr. Richards confirmed the above medical treatment regimen with Dr. Primary Care and Dr. Psychologist.



Medications

Neurontin 300 mg (3 tablets, 3x/day)**	(neuropathic pain relief)
Flexeril 10mg (3x/day)**	(muscle spasms)
Ultram 50mg (daily)**	(pain relief)
Methadone 40 mg (3x/day)	(pain relief)
OTC Ibuprofen 400mg (3x/day)	(pain relief)

Dr. Primary Care handles the prescription medications related to w/c injury. Medications are received through The Wright Pharmacy. *Generic form.

Symptoms/Functional Assessment

Medical records and Mr. Richards indicated the following ongoing symptoms and functioning: lumbar pain, symptoms radiate into the right lower extremity, multiple trigger points, altered gait, depression, and sedentary lifestyle. Mr. Richards relies on a cane for mobility assistance and lumbar brace for support/positioning.

Medical Supplies

None indicated

Durable Medical Equipment

Lumbar brace
Cane

Projected Future Treatment

Given Mr. Richards's medical condition, it is reasonable to project that he will require long term medical care of physician appointments, psychological counseling sessions, diagnostic studies, lab work, medications, and durable medical equipment (lumbar brace and cane). Surgery has not been recommended for his lumbar condition.

Relevant UNRELATED Past Medical History

Medical records indicated a past medical history of diabetes (2005) controlled with medications, hypertension, irregular heart rate, and cholecystectomy (2007).

Height: 5' 10"

Weight: 242 lbs.

Life Expectancy

This organization certifies that all rated ages we have obtained and/or have knowledge of regarding Mr. Richards, and generated at any time on or after the Date of Incident for the alleged accident/illness/injury/incident at issue, have been included as part of this submission of a proposed for a Workers' Compensation Medicare Set-Aside Arrangement (WCMSA) to the Centers for Medicare & Medicaid Services.



Given Mr. Richards's medical condition, a median rated age of 58 was obtained from Pacific Life (59), John Hancock (58), Hartford (58), New York Life (52), and Prudential (Standard). National Vital Statistics Report, Vol. 56, No. 9, December 2007, Table 1, yields average life expectancy of a 58 year old to be 24.1 additional years. Therefore, a life expectancy of 24 years was used in determining frequency and cost of Mr. Richards' medical needs.

Conclusion

Mr. Richards is being treated conservatively with physician evaluations, psychological counseling sessions, medications, and durable medical equipment. It is anticipated Mr. Richards will have chronic symptoms and residual disabilities resulting from the accident. It is anticipated Mr. Richards' condition will not significantly improve as he ages and long term care is expected through his life. The attached Medicare Set-Aside tables provide recommendations to assist in Mr. Richards's future needs.

Thank you for the opportunity to assist with Mr. Richards' case.

Shelene Giles, MS, BSN, BA, RN, CRC, CNLCP, CLCP, MSCC, LNCC
Nurse Life Care Planner/MSA Allocator

FIG Services, Inc.

P.O. Box 1161 • Hendersonville, NC 28793

828.698.9486 Ph • 828.698.9327 Fx

FIGservices.com



MEDICARE COVERED RECOMMENDATIONS

Medicare Covered Services	CPT Code	Frequency	Every x years	# of years	Cost	Lifetime Total
Physician Visits						
Primary Care Physician	99213	Monthly	1	5	\$60.69	\$3,641
Primary Care Physician	99213	Every 3 months	1	19	\$60.69	\$4,612
Psychologist	90806	Every 3 months	1	24	\$112.73	\$10,822
Orthopedist	99214	1	5 (allow for 5)	24	\$94.12	\$471
Diagnostic Studies						
Lumbar x-rays	72100	1	5 (allow for 5)	24	\$53.05	\$265
Lumbar MRI	72158	1	10 (allow for 3)	24	\$1,526.17	\$4,579
Lab Work						
Comprehensive metabolic panel (includes liver & kidney function)	80053 36415	Yearly	1	5	\$20.75	\$104
Durable Medical Equipment						
Cane	E0100	1	5 (allow for 5)	24	\$17.91	\$90
Lumbar brace	L0625	1	5 (allow for 5)	24	\$41.33	\$207
Total Medicare Covered Services						\$24,791



MEDICARE COVERED MEDICATIONS

Drug Name/Prescribed Strength/Unit Form/Prescribed Frequency	National Drug Code (NDC)	Medication Pricing Source	Cost Per Unit	Units per Month	Monthly Cost	Rx's per Year	Annualized Cost	Years Occurring
Gabapentin 300mg, tablet, 9/day**	00228-2666-11	AWP	\$0.1442	270	\$38.9300	12	\$467.16	5
Cyclobenzaprine 10mg, tablet,	52959-0042-00	AWP	\$0.1517	90	\$13.6500	12	\$163.80	
Tramadol 50mg, tablet, 1/day**	60760-0377-30	AWP	\$0.2560	30	\$7.6800	12	\$92.16	
Methadone 40mg, tablet, 3/day	00406-0540-34	AWP	\$0.8763	30	\$26.2900	12	\$315.48	
Medication Annual Total							\$1,038.60	
Medication Lifetime Total							\$5,193.00	

** Generic

Per Dr. Primary Care' response dated 06/14/14, Dr. Primary Care recommended the use of current medications for the next five years; therefore, costs of prescription medications are only included for five years.



NON-MEDICARE COVERED RECOMMENDATIONS

Services <u>Not Covered</u> By Medicare	Frequency	Every x years	# of years	Cost	Lifetime Total
OTC Ibuprofen 400mg (#90)	Monthly	1	5.0	\$208.80 (annual)	\$1,044
Total Non-Covered Services					\$1,044

Per Dr. Primary Care' response dated 06/14/14, Dr. Primary Care recommended the use of current medications for the next five years; therefore, costs of medications are only included for five years.