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[s.dorn@cspe.com](mailto:s.dorn@cspe.com)**National Contacts:***Member Services email*[memserv@nspe.org](mailto:memserv@nspe.org)**What is a Medicare Set Aside (MSA)?**

Under the Medicare Secondary Payer provisions, a federal law, an insurer/employer must protect Medicare's future interests when resolving Workers' Compensation cases. If an injured worker is age 62½ or older, is currently on SSDI or has applied for SSDI, a Medicare Set Aside must be obtained if the claim is being settled by Compromise and Release (C&R). The estimated future medical costs must be "**set aside**" in a trust, managed by the injured worker. The approximate \$2,000- \$3,000 cost to calculate the dollar estimate of future Medicare expense is paid by the insurer/employer and submitted to Centers for Medicare & Medicaid Services (CMS) for approval. This approval process may delay the resolution of the Workers' Comp settlement for up to 12 months.

The employer may opt to resolve the Workers' Compensation claim by Stipulated Award rather than a C&R if the recommended future Medicare costs are excessive. The claim then stays open and future medical costs are provided as outlined by the examining doctor.

For more information visit the Centers for Medicare & Medicaid Services website:

[www.cms.hhs.gov/WorkersCompAgencyServices/](http://www.cms.hhs.gov/WorkersCompAgencyServices/).

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**Did You Know.....?**

- California requires real estate brokers to provide Workers' Compensation coverage for their real estate sales agents. If it is determined that an employer is illegally uninsured, that employer may be liable for up to \$100,000 in penalties. [www.dir.ca.gov/RealEstateNotice.htm](http://www.dir.ca.gov/RealEstateNotice.htm).
- **BENEFIT INCREASES FOR 2009:** California's State Average Weekly Wage (SAWW) rose more than 4.5 percent last year, which will increase weekly maximum Temporary Total Disability (TTD) rates for 2009 work injuries to \$958.01 up from \$916.33 in 2008. If an employee remains off work for one year, the Temporary Disability cost will be nearly \$50,000. Is your Stay at Work / Return to Work program in place to assist injured workers in transitioning back to work and controlling costs?