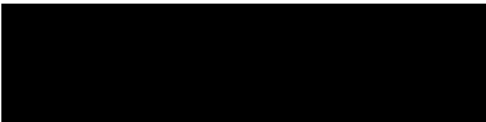


**IN THE STATE BOARD OF WORKERS' COMPENSATION
STATE OF GEORGIA**

SBWC Claim No. 2021-117127

D/A: 11/19/2021

Lester Harris



Hall County, Georgia
2875 Browns Bridge Road
Gainesville, Georgia 30504

Gallagher Bassett Services, Inc.
2915 Premiere Parkway
Suite 350
Duluth, Georgia 30097

Employee/Claimant

Employer/Self-Insurer

Servicing Agent

Rustin Smith
Smith Hulsey Attorneys at Law
756 Green Street, N.E.
Gainesville, Georgia 30501
(678) 273-2700
Tax I.D.# 83-3230163

Attorney for
Employee/Claimant

Chuck DuBose
Stewart, Melvin & Frost, LLP
P. O. Box 3280
Gainesville, Georgia 30503
(678) 207-2065

Attorney for
Employer/Self-Insurer

STIPULATION AND SETTLEMENT AGREEMENT

COMES NOW the parties to the above-styled case and file this, their Stipulation and Agreement, with the State Board of Workers' Compensation and respectfully request that it be substituted in lieu of any and all evidence which might be adduced at any hearing on the matter and that an Award be issued by the State Board of Workers' Compensation based hereon as follows:

1. The parties hereto are: LESTER HARRIS, hereinafter referred to as "Employee," HALL COUNTY, GEORGIA, hereinafter referred to as "Employer/Self-Insurer," and GALLAGHER BASSETT SERVICES, INC., hereinafter referred to as "Servicing Agent."

2. On November 19, 2021, the Employee herein sustained a compensable injury involving his back, left leg, and left shoulder.

3. The Employee herein contends he has residual disability as a consequence of his compensable injuries. He also asserts he will require additional medical treatment as a consequence of his injuries.

4. The Employer/Self-Insurer and Servicing Agent, on the other hand, contend the Employee's condition has improved to the point he is capable of returning to work earning his pre-injury average weekly wage. The Employer/Self-Insurer and Servicing Agent also assert the Employee will require little, if any, additional medical treatment as a consequence of his injuries.

5. Bona fide and genuine disputes exist between the parties as to the facts in the case, the determination of which disputes would materially affect the amount of compensation to be received by the Employee.

6. All parties are represented by counsel.

7. It is the desire and intention of the parties hereto to forever and irrevocably settle any and all claims and disputes arising out of the accident of November 19, 2021, by entering into the Stipulation and Agreement and having it approved as an Award of the State Board of Workers' Compensation, in accord with the general purposes and intent of the workers' compensation laws of Georgia, to forever and irrevocably settle any and all claims and disputes arising out of said accident, including claims for the payment of workers' compensation benefits of any kind and nature as well as claims for expenses for medical treatment and vocational rehabilitation. It is further agreed specifically between the parties hereto that each party waives any right to have the total

amount awarded in the case either increased or decreased by seeking to have the Award hereunder modified or reviewed either under the provisions of O.C.G.A. § 34-9-104 or otherwise and each party agrees to be estopped from either taking or participating in any such attempted action.

8. It is further agreed between the parties that the Employee has sustained no superadded injury or injuries to the injury of on or about November 19, 2021, and the November 19, 2021 injury is the only compensable injury the Employee has sustained with the Employer/Self-Insurer herein.

NOW THEREFORE, it is hereby specifically stipulated, covenanted and agreed by and between the parties hereto that the Employer/Self-Insurer and Servicing Agent agree as follows:

1. After giving due regard and weight to the conflicting evidence relating to the disputed facts and considering all attendant circumstances of this claim, the parties wish to resolve their differences by compromise settlement which will terminate any and all litigation in this matter and forever resolve the disputes and issues that do or could exist between the parties and irrevocably conclude all claims for the alleged incident. In this spirit of compromise and to accomplish these aims, the Employer/Self-Insurer and Servicing Agent agree to pay, and the Employee agrees to accept, in full and final settlement, satisfaction, and extinguishment of any and all claims for the injuries occurring on November 19, 2021, the total amount of TWO HUNDRED TWENTY-SEVEN THOUSAND THREE HUNDRED FORTY-NINE DOLLARS (\$227,349.00)(\$125,000.00 in

indemnity benefits plus \$102,349.00 Medicare Set-Aside), \$125,000.00 of which will be paid in a lump-sum upon approval of this Stipulation and Agreement, with the remaining \$102,349.00 for the Medicare Set-Aside being paid by seed money of \$23,729.00 and an annuity from a third party, American General Life Insurance Company pursuant to the terms of the attached annuity, to the Employee/Claimant if living, and if such payment is not made by June 3, 2032, by American General Life Insurance Company, the Employer/Self-Insurer shall make payment within 30 days of said due date of June 3, 2032.

2. The above indemnity settlement amount of \$125,000.00 made payable to the Employee and his attorney is inclusive of attorney fees of 25 % as per the contract and agreement entered into between the Employee and his attorney, which is on file with the State Board of Workers' Compensation and made a part hereof by agreement of all parties. The Employee is to receive \$89,743.65 in a lump-sum payment upon approval of the Stipulation and Agreement, plus the \$102,349.00 Medicare Set-Aside paid out from seed money and an annuity pursuant to the attached Exhibit C - Terms of Structured Settlement, and the Employee's attorney is to receive \$35,256.35 upon approval of the Stipulation and Agreement, which represents \$31,250.00 in attorney fees and \$4,006.35 in expenses of litigation, of the \$125,000.00 indemnity settlement. Credit will be taken for any weekly indemnity benefits paid for days after the date the Stipulation is approved by the State Board of Workers' Compensation. The Employee directs the Employer/Self-Insurer to send his portion of the settlement to his attorney of record, Rustin Smith. The Employee

also directs the Employer/Self-Insurer to send the \$23,729.00 seed money check for the Medicare Set-Aside Account direct to his attorney of record, Rustin Smith. All future annuity medical payments for the Medicare Set-Aside Account shall be sent directly to Lester Harris at the current address he has on file with the Payor or he shall provide direct deposit information to the Payor if that is an option. The Employee stipulates there are no outstanding child support liens or attorney fee liens that would prohibit full disbursement of the settlement funds in this case.

3. To be responsible for no medical expenses incurred from the date of the approval of this Stipulation and Agreement, except as noted in Exhibit A attached. The parties agree that the settlement amount includes remuneration for future medical services, if any, in lieu of an open medical provision. By being a signatory to this Agreement, the Employee acknowledges the limitation with regard to payment of such medical expenses and agrees that any medical expenses incurred after the date of the approval of this Stipulation and Agreement into the future shall be deemed unauthorized and will be the sole responsibility of the Employee, and shall not be the responsibility of the Employer/Self-Insurer and Servicing Agent, except as noted in Exhibit A attached.

4. The parties agree that the \$89,743.65 to be paid to the Employee represents a fair calculation of lost wage earning capacity over the lifetime of the Employee directly attributable to the work injury; and that said sum shall be paid without commutation of interest, and shall be considered, upon approval of this stipulated settlement by the Board, as already accrued weekly indemnity which shall represent the negotiated compromise

agreement that the Employee's life expectancy is 181.2 months (DOB: [REDACTED] forward from and including the date of this Stipulation; that the same represents \$495.27 per month over the balance of 181.2 months of life expectancy into the future. The Employee's life expectancy is computed in accordance with the National Vital Statistics Reports Life Table, Vol 69., No. 12 (November 17, 2020).

5. The Employee is currently eligible for Medicare. In order to protect Medicare's interest, the parties have designated a portion of this settlement as a self-administered set-aside which will revert to the Employee and/or his estate if not required for future medical expenses. The parties to this Agreement have considered Medicare's interest, and in an effort to protect Medicare's interest and to avoid shifting the burden to Medicare, it has been determined by the parties that \$102,349.00 is an adequate amount to set aside for payment of future medical expenses that are Medicare-covered and may be related to the work injuries giving rise to this agreement. The amount of the set aside is based upon the Medicare Set-Aside (MSA) which has been approved by the Centers for Medicare & Medicaid Services (CMS) on March 6, 2023 (attached as Exhibit B). The Employee agrees to keep records of all expenditures that are Medicare-covered medical expenses. The Employee also agrees that the sole purpose of the designated amount is to pay for future Medicare-covered medical expenses.

Settlement of the medical portion of this claim will be funded by an annuity (see attached terms in Exhibit A and Exhibit C), with \$23,729.00 to be paid in initial seed money to fund the Medicare Set-Aside Account (MSA), and then an annual payment of \$9,828.00

per year, for a maximum of eight years if the Employee is living, for a total payment of \$102,353.00 over eight years if the Employee is living.

The parties understand and agree that pursuant to Board Rule 15 this Agreement provides for a structured settlement of the \$102,349.00 in medical payments to be paid by a party other than the Employer/Self-Insurer, but the Employer/Self-Insurer acknowledges it will be liable for the Agreement in the event of the default or failure of the third party to pay.

This settlement agreement represents a compromise of both undisputed and controverted medical care at the expense of the Employer/Self-Insurer pursuant to O.C.G.A. § 34-9-200. In reaching this agreement, the parties have considered the Employee's entitlement to Medicare benefits pursuant to 42 U.S.C. § 1395y, including regulations 42 C.F.R. Subpart C, §§ 411.46 and 47. The purpose of this settlement agreement is not to shift to Medicare the responsibility for payment of medical expenses for treatment of work-related conditions, but instead, to provide the Employee with a lump-sum, as specified above, which will foreclose Employer/Self-Insurer's responsibility for future payment of all work-related medical expenses.

Upon proof that the designated MSA amount of \$102,349.00 has been expended on Medicare-covered expenses, the Employee will be entitled to submit his bills directly to Medicare. The MSA funds in this case are to be self-administered by the Employee/Claimant. (See attached Exhibit A.) The Employee/Claimant understands that the MSA funds must be placed in an interest-bearing account, and this account must be separate from his personal savings and checking accounts. The funds in this account may only be

used for payment of medical services related to the work injuries that would normally be paid by Medicare. If payments from this account are used to pay for services that are not covered by Medicare, Medicare may not pay injury-related claims until these funds are restored to the MSA account, and then properly exhausted.

The MSA account will terminate 180 days after the Employee/Claimant's death at which time any amount remaining in the Medicare Set-Aside account shall be paid to any individual or organization designated by the Employee in writing. If there is no such writing, the remaining amount shall be distributed under the estate of the Employee/Claimant.

The MSA allocation is based upon the Georgia Workers' Compensation Schedule of Fees. The Employee acknowledges that he shall use best efforts to ensure that all payments to providers are adjusted accordingly, and that any monies paid in excess of the Fee Schedule may not count towards the allocation.

All sums set forth herein constitute damages on account of personal injuries or sickness, within the meaning of Section 104 (a) of the Internal Revenue Code of 1986, as amended.

IT IS AGREED that the final accord and satisfaction of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$125,000.00) for the indemnity settlement, plus the Medicare Set-Aside detailed above, has been reached as a compromise between the parties which gives due weight and regard to the conflicting evidence available on the issues and disputes between the parties and is in keeping with the provisions of the workers' compensation laws of the state.

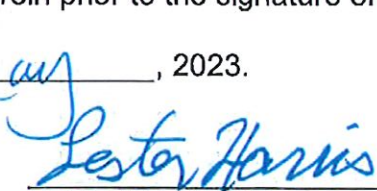
IT IS FURTHER AGREED between the parties that all incurred authorized expenses for medical or vocational rehabilitation which were reasonable and necessary have been, or will be paid subject to the provisions in paragraph 3 and that any other medical expenses or expenses for vocational rehabilitation are to be borne by the Employee and are to be paid by the Employee and not by the Employer/Self-Insurer and Servicing Agent, and said items will not be the responsibility of the Employer/Self-Insurer or the Servicing Agent herein unless American General Life Insurance Company fails to pay the annuity timely at which time the Employer/Self-Insurer shall be responsible for such payment within 30 days of the payment due date and then thereafter on an annual basis per the agreement.

IT IS AGREED by the parties that the above settlement amount may be reduced by the amount of any payment made by the Employer/Self-Insurer and Servicing Agent to the Employee for weekly benefits covering days after the date of approval of the agreement.

WHEREFORE, the parties have hereunto set their hands and respectfully request that the Board approve the Stipulation and Agreement and issue an Award based hereon.

IT IS HEREBY CERTIFIED that a copy of the Stipulation and Agreement has been mailed to the Employer/Self-Insurer herein prior to the signature of all parties.

This 15th day of May, 2023.



LESTER HARRIS
Employee/Claimant



RUSTIN SMITH
Attorney for Employee/Claimant

CHUCK DUBOSE
Attorney for Employer/Self-Insurer

**GENERAL RELEASE, WAIVER,
VOLUNTARY RESIGNATION OF EMPLOYMENT
AND AGREEMENT NOT TO RE-APPLY/RE-HIRE**

KNOW ALL MEN BY THESE PRESENT, that the undersigned, Lester Harris, being over the age of twenty-one (21) years and a resident of the State of Georgia, has voluntarily resigned from employment with Hall County, Georgia effective this date. Lester Harris further agrees on behalf of himself, his heirs, executors, administrators, personal representatives and assigns, as follows:

- (1) That he will neither challenge the voluntary resignation of his employment or the termination of his employment with Hall County, Georgia nor will he apply for unemployment benefits against Hall County, Georgia or at any time, seek re-employment with Hall County, Georgia or any of its affiliates and/or subsidiaries and acknowledges he would be subject to immediate dismissal and termination in the event he was re-employed with Hall County, Georgia.
- (2) That he will not commence any lawsuit or claim for damages against Hall County, Georgia.
- (3) That he forever releases and waives any claim of liability against Hall County, Georgia arising from his employment with Hall County, Georgia and agrees to hold harmless Hall County, Georgia as of the date this Release is signed and executed by him.
- (4) That he forever releases and waives any claim of liability against Hall County, Georgia for any possible action in the foregoing regard, including, but not limited to, any claims under the Age Discrimination in Employment Act of 1967, as amended; Title VII of the Civil Rights Acts of 1964, as amended; Section 1981 of the Civil Rights Act of 1966; the American With Disabilities Act of 1990; Older Workers Benefit Protection Act of 1990; and, any claims under any other Federal, State, or Local Enactment of Rule of Law or Equity, including claims based on principles of contract and tort law.
- (5) That he acknowledges that the consideration for the undersigned, Lester Harris, to enter into and execute this Release shall be TEN DOLLARS AND NO/100 (\$10.00), the sufficiency of which is hereby acknowledged by both parties, and is paid separate from the consideration for settlement of the workers' compensation claim.

- (6) That he releases Hall County, Georgia, from any claim for loss of Medicare benefits and for any injury or damages related to or arising out of that loss for benefits; for any recovery Medicare and/or the Centers for Medicaid and Medicare Services (CMS) might pursue against the parties; and, for any and all other losses or damages that result from Lester Harris's representations about his Medicare status or creation, administration, or dissolution of a Medicare Set-Aside Account.

I, Lester Harris, knowingly and voluntarily execute this General Release, Waiver, Voluntary Resignation of Employment and Agreement Not to Re-Apply/Re-Hire in accordance with the above-described terms. In consideration of mutual promises of confidentiality with my Employer, I agree all terms of this agreement and all aspects are to remain confidential and will not be disclosed by myself or my attorney to any other person or entity except in response to a valid subpoena, court order, or other valid legal process and except for consultation with financial, legal, or other professional advisors.

I acknowledge that I was not coerced or placed under duress to execute this Release, Waiver, Voluntary Resignation of Employment and Agreement Not to Re-Apply/Re-Hire.

This General Release, Waiver, Voluntary Resignation of Employment and Agreement Not to Re-Apply/Re-Hire became effective the date of execution of this document.

This 15th day of May, 2023.

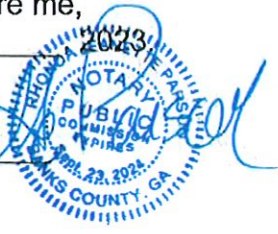


LESTER HARRIS
Employee/Claimant

Sworn to and subscribed before me,
this 10th day of May

[Signature]

Notary Public
My Commission Expires:



[Signature]
Witness

LETTER OF RESIGNATION

TO WHOM IT MAY CONCERN:

In further consideration of the settlement amount specified in the Stipulation and Settlement Agreement, the Employee/Claimant agrees that he hereby resigns from said employment with Hall County, Georgia, effective immediately, and agrees to refrain from reapplying for subsequent employment with said Employer at any time in the future.

This, the 15th day of May, 2023.

Sincerely,

Lester Harris
LESTER HARRIS

Witnessed by:

Rustin Smith
Name

5/11/23
Date

EXHIBIT A

TERMS AND CONDITIONS FOR BENEFICIARY ADMINISTERED MEDICARE SET-ASIDE ACCOUNT

Medicare Beneficiary: Lester Harris

Medicare ID/SSN: [REDACTED]

Date of Injury: 11/19/2021

Employer: Hall County, Georgia

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 \$ 102,349.00 from his 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 \$ 23,729.00 from the proceeds of the \$ 227,349.00 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's Medicare contractor for each calendar year no later than March 1 of the following year. You shall notify CMS's 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's 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, LESTER HARRIS, 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.



Claimant – LESTER HARRIS

Date 5/1/23

EXHIBIT C

TERMS OF STRUCTURED SETTLEMENT

The Employer agrees to pay to the individual(s) named below the sums outlined below:

MSA Seed Paid by Employer at Settlement to Establish MSA Account:

\$23,729.00 payable to Lester Harris

MSA Future Payments to Replenish MSA Account:

Payee: Lester Harris

\$9,828.00 per year payable 8 years, only if living, starting on 06/03/2024.

All sums set forth herein constitute damages on account of personal injuries or sickness, within the meaning of Section 104 (a) (1) of the Internal Revenue Code of 1986, as amended.

The parties further understand and agree that pursuant to Board Rule 15 this Agreement provides for a structured settlement to be paid by a party other than the Employer, but the Employer acknowledges it will be liable for the Agreement in the event of the default or failure of the third party to pay.

Claimant's Rights to Payments

Claimant acknowledges that the Periodic Payments cannot be accelerated, deferred, increased or decreased by the Claimant or any Payee; nor shall the Claimant or any Payee have the power to sell, mortgage, encumber, or anticipate the Periodic Payments, or any part thereof, by assignment or otherwise.

Consent to Qualified Assignment

Claimant acknowledges and agrees that the Employer may make a qualified assignment, within the meaning of Section 130(c) of the Internal Revenue code of 1986, as amended, of the Employer's liability to make the Periodic Payments set forth above to American General Annuity Service Corporation (the Assignee). The Assignee's obligation for payment of the Periodic Payments shall be no greater than that of the Employer (whether by judgment or agreement) immediately preceding the assignment of the Periodic Payments obligation.

Right to Purchase an Annuity

The Assignee reserves the right to fund the liability to make the Periodic Payments through the purchase of an annuity policy from American General Life Insurance Company (the "Annuity Issuer"). The Assignee shall be the sole owner of the annuity policy and shall have all rights of ownership. The Assignee may have the Annuity Issuer mail payments directly to the Payee. The Claimant shall be responsible for maintaining a current mailing address for Payee with the Annuity Issuer.

Discharge of Obligation

The obligation of the Employer and/or Assignee to make each Periodic Payment shall be discharged upon the mailing of valid check in the amount of such payment to the designated address of the Payee(s) named above or upon completion of an electronic funds transfer in the amount of such payment to the deposit account of such Payee(s) most recently designated.



March 06, 2023

ISO CLAIMS PARTNERS
500 Unicorn Park Dr.
Suite 300
Woburn, MA 01801

RE: Workers' Compensation Medicare Set-Aside Arrangement

Claimant: LESTER HARRIS

Medicare ID/SSN: [REDACTED]

Date of Injury: 11/19/2021

CMS Case Control Number(CCN): WC2301904200052

Dear Sir or Madam,

This letter is in response to your submission of a proposed Workers' Compensation Medicare Set-Aside Arrangement (WCMSA) amount related to the above-named claimant's workers' compensation claim and received on 01/19/2023.

You proposed a WCMSA amount of \$61,110.00 to pay for future medical items and services that are covered and otherwise reimbursable by Medicare ("Medicare covered") and are related to the claimant's workers' compensation claim. We note that you proposed \$41,239.00 for Medicare-covered prescription drugs.

We have evaluated your proposal and have determined that \$102,349.00 adequately considers Medicare's interests with respect to Medicare-covered future medical items and services, including prescription drugs.

In order to comply with Section 1862(b)(2) of the Social Security Act, Medicare is not permitted to pay for medical items or services, including prescription drug expenses, related to the workers' compensation claim until the approved WCMSA amount is appropriately exhausted ("properly spent") on related medical care. Where a workers' compensation settlement, judgment, award, or other payment is less than the approved WCMSA amount, Medicare is not permitted to pay for related medical care until the whole settlement, judgment, award, or other payment is properly spent on related medical care. The WCMSA funds must be placed in an interest-bearing account. Funds in the account should not be used for any purpose other than payment of future medical care that is Medicare covered and is related to the workers' compensation claim.

The account must be funded by an initial deposit of \$23,729.00 and subsequent equal payments of \$9,828.00 over 8 year(s).

When a WCMSA is funded as a structured settlement (settlement monies paid out in yearly installments over a number of years), any WCMSA funds that are not used in a given year must remain in the account to pay for related medical care during following years. If available WCMSA funds for a particular year (including the current year's full structured payment plus any prior year's remaining funds plus interest) have been properly spent, Medicare will pay for covered items and services that are related to the workers' compensation claim for the remainder of that year until the scheduled date for the next year's deposit into the WCMSA account. Bills should be paid in the order they are received to help the Benefits Coordination & Recovery Contractor (BCRC) confirm that the funds have been temporarily exhausted (properly spent for that year).

Approval of this WCMSA amount is not effective until the Centers for Medicare & Medicaid Services (CMS) receive a copy of the final executed workers' compensation settlement agreement, which must include the funding information for this approved WCMSA amount. Please include the CMS Case Control Number listed at the top of this letter in any correspondence. Submit your settlement agreement via the Portal if your original submission was via the Portal. If you originally submitted outside of the Portal, submit the settlement agreement to the following address:

WCMSA Proposal/Final Settlement
P.O. Box 138899
Oklahoma City, OK 73113-8899

If your settlement agreement is 10 pages or less, you may also fax it to (405) 869-3306. **Note:** This number is not for initial submissions, only for additional documentation under 10 pages.

The proposed WCMSA amount was calculated based on the workers' compensation fee schedule for the State of GEORGIA.

Funds in a WCMSA may not be used to purchase a Medicare supplemental insurance policy or a Medigap policy for a beneficiary, or to pay for the premiums for such policies.

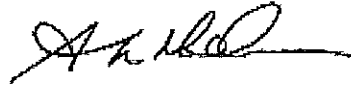
Once the funds in the WCMSA account have been properly spent on Medicare-covered items and services related to the claimant's workers' compensation claim and Medicare has been given proof that the account has been properly spent, Medicare will begin paying for the claimant's Medicare-covered items and services that are related to the workers' compensation claim. Medicare will pay for Medicare-covered items and services that are unrelated to the workers' compensation claim according to Medicare's payment rules.

We understand that the claimant will act as administrator of the WCMSA funds. We have enclosed instructions, titled "Administering Your Workers' Compensation Medicare Set-Aside Arrangement (WCMSA)." The WCMSA Self-Administration Toolkit is another resource, available on the CMS website at <http://go.cms.gov/WCMSASelfAdm>. The claimant must send a signed attestation letter to the Benefits Coordination & Recovery Center at the address below every year, no later than 30 days after the end of each reporting period (beginning one year from the date of establishment of the WCMSA account). Annual attestations should continue through final exhaustion of the account.

Please note that this decision regarding future medical treatment is independent of any determination regarding Medicare Secondary Payer recovery rights for conditional payments Medicare made for related items and services furnished before the date of the settlement, judgment, award, or other payment. Medicare has the right to recover (or take back) Medicare payments related to any workers' compensation settlement, judgment, award, or other payment. Any payments Medicare may have made that should have been paid from the workers' compensation settlement, judgment, award, or other payment must be repaid to Medicare.

If you have any questions concerning this letter, please call Customer Service at (833) 731-4MSP.

Sincerely,



Sherri McQueen
Director, Financial Services Group
Office of Financial Management

Enclosure

CC: LESTER HARRIS