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PMSI ADVOCACY EFFORTS PROMPT CMS TO IMPROVE MSA REVIEW METHODOLOGY

Tampa, Florida (May 17, 2010) – PMSI Settlement Solutions, a leading provider of solutions for the workers’ compensation and liability markets, announced that it has received notification from the Centers for Medicare and Medicaid Services (CMS) of new prescription drug requirements pertaining to Medicare Set-Asides (MSA). In a memorandum dated May 14th, CMS states that “For a Part D drug to be covered by Medicare, and thus included properly in a WCMSA, the drug should be prescribed for an outpatient use that is approved under the Federal Food, Drug, and Cosmetic Act [21 U.S.C.A. Sec. 301 et seq.]”.

This recent memorandum clarifies the exclusion of non-Medicare Part D covered prescription drugs from MSA calculations. Eileen Auen, PMSI’s Chief Executive Officer stated, “Over the past ten years, rising prescription drug costs have been an industry wide issue. As the only significant MSA provider with extensive pharmacy experience, PMSI was uniquely qualified to work with CMS on this important issue. CMS’ improved approach will help to drive allocations back to acceptable amounts and prevent inflated MSAs.”

“Pain management medications are a very significant cost driver in workers’ compensation. Many of the medications commonly utilized for the treatment of chronic pain are not covered by Part D,” commented Kent Takemoto, M.D., President, PMSI Settlement Solutions. “In recent PMSI analysis, the exclusion of non-Part D covered drugs affected about 65% of the most commonly used drugs in workers’ compensation.”

In anticipation of CMS’ policy memorandum, PMSI developed a methodology for prescription drug calculations based on its 34 years of experience as one of the largest providers of Pharmacy Benefit Management (PBM) services to the workers’ compensation industry. PMSI’s methodology incorporates the company’s knowledge of occupational diagnoses, the treatment of pain management and the selection of replacement drugs for non-Part D covered prescriptions. In use for over nine months, this methodology reduced a MSA by \$935,000 in one recent client case.

Takemoto continued, “PMSI applauds CMS for clarifying this important issue. We have valued the opportunity to meet with CMS numerous times over the past year and look forward to continuing our active dialogue with CMS on further refinement of the MSA drug review process and other issues impacting Medicare Set-Aside allocations.”

About PMSI Settlement Solutions:

PMSI Settlement Solutions is recognized as a pioneer in Medicare Set-Aside allocations. PMSI Settlement Solutions offers a comprehensive menu of services for workers' compensation and liability/no-fault auto claims that are focused on settling claims in the most timely, cost-effective manner and in compliance with all government requirements. On-staff specialists are experts in lien negotiations, future medical cost projections and allocation preparation for cases in workers' compensation and liability. PMSI Settlement Solutions is a division of PMSI, one of the nation's largest providers of specialty managed care services and products for workers' compensation and liability markets. To learn more about PMSI Settlement Solutions, our services and web-enabled, integrated capabilities visit us at www.pmsisettlement.com or call us at 888.MSA.PMSI.

About PMSI:

PMSI is one of the nation's largest full-service providers of clinically driven services for Pharmacy, Medical Services and Equipment, and Settlement Solutions and is devoted exclusively to the workers' compensation and liability markets. For over 34 years, PMSI has led the industry and served as the trusted resource for thousands of insurance payers, state workers' compensation funds, employers, and third-party administrators. Today, PMSI continues its leadership position by managing millions of pharmacy, medical services and equipment, and settlement transactions each year. For more information, please refer to the PMSI website at www.pmsionline.com.