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PMSI SETTLEMENT SOLUTIONSSM DETECTS A SIGNIFICANT INCREASE IN MSA PRESCRIPTION DRUG ALLOCATIONS

Industry Leader Continues to Advocate Accuracy in Drug Review Methodology to Prevent Overallocation

Tampa, Florida (August 24, 2009) – PMSI Settlement Solutions, a leading provider of settlement services for the liability and workers' compensation markets, announced today that an analysis of recent Medicare Set-Asides (MSAs) reviewed by the Centers for Medicare and Medicaid (CMS) using their new drug review guidelines shows a significant increase in prescription drug allocations.

Preliminary results indicate that the percentage of allocation costs attributed to pharmacy has increased considerably since the implementation of the new guidelines on June 1, 2009. "Recent analysis by PMSI found that prior to CMS' review of prescription allocations, medications comprised approximately 26% of the total allocation. An examination of MSA submissions since June 1 shows that the percentage of the MSA allocation attributed to pharmaceuticals is now much greater," says Kent Takemoto, MD, President of PMSI Settlement Solutions.

Much attention has been focused on the recent inclusion of medications in CMS' review of MSAs. PMSI, the nation's leading provider of pharmacy and Medicare-Set Aside services, is concerned that current guidelines for the review of MSA drug allocations can be ambiguous, which can lead to the over-allocation of future drug expenditures. This may also limit the ability of payors to settle claims.

"While prescription allocation costs have increased dramatically, drug utilization review is effective in mitigating costs related to drug dose frequency. However, CMS is not currently allowing for the tapering of medications with age. As a patient ages, the tapering of medications is necessary due to decreased kidney and liver function (effectively increasing blood medication levels) as well as the risk for adverse side effects increases with use for extended durations," comments Maria Sciame, PharmD, Director of Clinical Pharmacy Services for PMSI. "We are pleased that CMS is taking the first steps towards a reasonable review standard and we look forward to working with them to identify relevant algorithms for MSAs to be even more accurate and consistent."

Together with payors and other industry experts, PMSI Settlement Solutions is advocating that CMS adopt revised guidelines in order to increase the accuracy and predictability of MSAs, decrease rejections and prevent the over-allocation of drug costs. PMSI continues to work with CMS and is engaged in dialogue to aid in the development of more reasonable guidelines. As the founder of the Workers' Compensation Pharmacy

Benefit Management industry and the only major MSA provider with an in-house pharmacy program, PMSI is uniquely qualified to engage with CMS around this issue. In the meantime, PMSI is continuing to make real-time adjustments to its prescription allocations as CMS makes changes. The company is also using its best-in-class Drug Utilization Review (DUR) to allow payors to accurately allocate for the pharmacy cost component program of the MSA.

About PMSI Settlement Solutions:

PMSI Settlement Solutions is recognized as the leader in Medicare Set-Aside allocations. PMSI Settlement Solutions offers a comprehensive portfolio 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. 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 www.pmsisettlement.com or call 888.MSA.PMSI.

About PMSI:

PMSI is one of the nation's largest full-service providers of clinically-driven services for Pharmacy, Settlement Solutions, and Medical Services and Equipment, and is devoted exclusively to the workers' compensation and liability markets. For over 33 years, PMSI has served as the trusted resource for thousands of insurance payors, 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.

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