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COALITION BACKS LEGISLATION TO IMPROVE THE ADMINISTRATION OF MEDICARE WITH WORKERS' COMPENSATION

WASHINGTON, D.C., April 27, 2012 – A unique coalition representing a diverse group of stakeholders supports the introduction today of the Medicare Secondary Payer and Workers' Compensation Settlement Agreements Act of 2012. The bi-partisan legislation, introduced by Representatives Dave Reichert (R-WA) and Mike Thompson (D-CA), seeks to resolve the serious delays and confusion in the review of workers' compensation Medicare set asides by the federal agency responsible for administration of Medicare, the Centers for Medicare and Medicaid Services (CMS).

The coalition for Medicare Secondary Payer (MSP) reform, which includes representatives of injured workers, employers and insurance carriers, has been working a number of years for reform in the processes and procedures used by CMS in its review of workers' compensation settlement agreements.

In March, the Government Accountability Office (GAO) released a report, part of which included recommended improvements in CMS administration of workers' compensation set-aside arrangements (WCMSAs).

"The 'Medicare Secondary Payer and Workers' Compensation Settlement Agreements Act of 2012' will provide clear and consistent standards for CMS administrative process," said Douglas Holmes, President of UWC- Strategic Services on Unemployment and Workers' Compensation (UWC) and coordinator of the Coalition for Medicare Secondary Payer (MSP) Reform focused on workers' compensation settlements. (See attached list of reform supporters)

"CMS takes too long to review proposed set-asides, fails to provide appropriate and consistent standards for determining amounts to be set aside, and provides no avenue to appeal CMS determinations. The process results in injured workers not receiving funds, additional costs for states and workers' compensation payers, and additional liability for employers, insurance carriers, and attorneys. A legislative solution to this problem is needed," said Holmes.

"Too often, injured workers bear the brunt of the delays caused by the current system and reforms are needed now. This bill is about process improvement and fair treatment of all parties. We applaud Representatives Reichert and Thompson for taking on this issue," said J.R. Boyd, President of the Workers Injury Law and Advocacy Group (WILG), the national association of Attorneys representing injured workers in workers' compensation cases.

"In case after case we hear of delays in approval, uncertainty of the amount to be reimbursed by injured workers, and changes in amounts to be set-aside after settlements have already been approved," said Boyd.

"The current procedure for review of workers' compensation settlements provides no effective recourse," Holmes stated. "There is no avenue to compel a timely decision or appeal a bad one. The legislation introduced by Representatives Reichert and Thompson corrects this situation and many other costly problems and delays, for the benefit of all parties involved."

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**Organizations Supporting
The
Medicare Secondary Payer and Workers'
Compensation Agreements Act of 2012**

American Insurance Association (AIA)
National Council of Self Insurers (NCSI)
Property Casualty Insurers Association of America (PCI)
UWC - Strategic Services on Unemployment
& Workers' Compensation (UWC)
Washington Self-Insurers Association (WSIA)
American Association for Justice (AAJ)
American Bar Association (ABA)
Workers Injury Law and Advocacy Group (WILG)