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**SUPPORT FOR LEGISLATION TO IMPROVE THE ADMINISTRATION OF
MEDICARE WITH WORKERS' COMPENSATION GROWING**

WASHINGTON, D.C., September 9, 2013 – A letter from 60 national and state associations and companies from all parts of the country was delivered today to Representatives Dave Camp, Chairman, and Sander Levin, Ranking Member, of the House Committee on Ways and Means asking that the committee move HR 1982, the Medicare Secondary Payer and Workers' Compensation Settlement Agreements Act of 2013. 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).

"This letter demonstrates the broad support of the primary stakeholders in workers' compensation across the country for this legislation. The bill 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. (See attached letter)

"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

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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 Catherine Stanton, 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 Stanton.

"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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September 9, 2013

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

We urge you to move the *Medicare Secondary Payer and Workers' Compensation Settlement Agreement Act*, H.R. 1982. This bipartisan legislation aims to resolve delays and provide clear and consistent standards for an administrative process that offers reasonable protection for injured workers and Medicare. Currently, workers' compensation settlements that overlap with Medicare coverage are subject to a lengthy, cumbersome review by the Centers for Medicare and Medicaid Services (CMS) to determine appropriate "set-aside" coverage amounts for future medical expenses. H.R. 1982 would:

- Establish clear criteria for when a future medical set-aside is reviewed by Medicare;
- Create certainty for calculating the amounts to be included in set-asides;
- Provide a reasonable time frame in which CMS is to review set-aside submissions;
- Provide an appeals process for parties to CMS determinations;
- Provide an optional direct payment of set-aside amounts to Medicare;
- Assure that settlements that meet the terms of federal statute at the time of settlement are not disapproved based on later changes in law, regulations or administrative interpretations by CMS;
- Provide for an option under which the parties to a workers' compensation settlement could make payment of a percentage of a total settlement amount directly to CMS to cover Medicare set-aside responsibilities related to the settlement.

Businesses are still recovering from the recession and the CMS WCMSA review process adds additional costs through delay and uncertainty. The H.R. 1982 reforms will be beneficial to employers, insurers and injured workers and we urge you to move this important bill.

Michigan Chamber of Commerce
Michigan Manufacturers Association
Michigan Self-Insurers' Association (MSIA)
American Association for Justice (AAJ)
American Bar Association (ABA)
American Insurance Association (AIA)
National Council of Self Insurers (NCSI)
Property Casualty Insurers Association of America (PCI)

The Self Insurance Institute of America
UWC - Strategic Services on Unemployment
& Workers' Compensation (UWC)
Workers' Injury Law and Advocacy Group (WILG)
The Business Council of Alabama
Alabama Self-Insured Workers' Compensation Fund
Arkansas State Chamber of Commerce
Associated Industries of Arkansas
Associated Industries of Massachusetts
California Self-Insurers Association (CSIA)
Colorado Association of Business and Industry
Connecticut Business and Industry Association
The Georgia Association of Manufacturers
Associated Industries of Florida
The Illinois Chamber of Commerce
The Indiana Manufacturers' Association
Iowa Association of Business and Industry
The Kansas Chamber
The Kentucky Chamber
Louisiana Association of Business and Industry
Louisiana Association of Self Insured Employers
Maryland Chamber of Commerce
Missouri Chamber of Commerce and Industry
Missouri Merchants and Manufacturers Association
Missouri Self-Insurers Association
Montana Chamber of Commerce
New Jersey State Chamber of Commerce
The New Jersey Business & Industry Association
The Business Council of New York State
The North Carolina Chamber
Employers' Coalition of North Carolina
Capital Associated Industries, Inc. (North Carolina)
The Ohio Chamber of Commerce
Ohio Manufacturers' Association
The Oklahoma State Chamber of Commerce
Associated Industries of Oregon
Pennsylvania Chamber of Business and Industry
Tennessee Chamber of Commerce and Industry
Texas Association of Business
The Virginia Chamber of Commerce
Washington Self Insurers Association (WSIA)
Association of Washington Business
Washington Retail Association
LUBA Workers' Comp

CNA

FCCI Insurance Group

Liberty Mutual Insurance

Marriott International, Inc.

Kelly Services, Inc.

True Blue, Inc.

Nautilus International Holding Corporation

People Systems

Alternative Risk Ltd.

Unemployment Services of Florida, Inc.