



Special Report: CMS to Consolidate Regional Offices

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Currently, the Centers for Medicare & Medicaid Services (CMS) has ten (10) regional offices throughout the country. Each office has jurisdiction over the Workers' Compensation Medicare Set-asides (WCMSA) created for cases pending in the states that the office oversees and issues the final, official WCMSA approval letter for all submitted WCMSAs. This system has created some problems because each regional office could provide different information as to how a WCMSA was to be handled or processed. Furthermore, some regional office staff were more available and provided a higher level of service than others.

Now this is all going to change as MedAllocators has learned that CMS is going to consolidate the regions from ten (10) to six (6) in just two weeks (September 1, 2008). It is our understanding that six existing regions will absorb the other four regions. As with most major changes to an established system, we expect this to have a short term negative impact with, hopefully, a long term benefit.

Since this move came about abruptly, we suspect that the existing six regions are not going to be adequately staffed to deal with the increased WCMSA demands. We expect there to be significant delays in the approval of WCMSA starting Sept. 1. Currently, we are receiving approval times range from 20 days to 90 days. With the changes we believe the approval times will run longer. Hopefully we are mistaken, but CMS rarely runs as efficiently immediately after instituting a major process change.

We anticipate that it will take CMS from three (3) to six (6) months to staff the local regional offices to accommodate the change. Once this occurs, it should make the process more uniform and efficient. As usual, we will keep informed as CMS releases more details about this change.

Impact on GL Cases

As we previously reported, the general liability MSAs were going to be handled on a region by region basis. Each regional office was going to be given the option to review and approve MSAs for general liability cases. We have learned that many of the regional offices that were going to review these types of MSAs have been eliminated. Therefore, there is much uncertainty surrounding the approval of general liability MSAs with this recent change. MedAllocators will wait for the official word from CMS about which offices are going to stay and then we will contact each office to determine if it is going to review general liability MSAs. We will pass this information to you, as soon as it becomes available.