Memo

TO: All Arbitrators

FROM: Dennis R. Ruth, Chairman

DATE: October 3, 2006

RE: Cases pending Medicare set-aside approval

It is apparent that waiting for approval of Medicare set-aside agreements by the Centers for Medicare and Medicaid Services (CMS) is creating significant delays for parties to process lump-sum settlement contracts. Attached is a letter from Governor Blagojevich to the Social Security Commissioner requesting additional resources to move these cases through its system faster. However, until this problem is corrected, we need to provide relief to parties who are burdened by the additional administrative requirements caused by these delays.

Effective immediately, I am directing each of you to automatically continue any red-line case where the parties have provided you with a copy of their letter to CMS requesting approval of a set-aside agreement. As long as the parties have agreed in principle to settle the workers’ compensation case and have provided you with a copy of their letter to CMS requesting its approval, you should continue the case for up to a year. That should give the parties the time needed to obtain CMS approval without burdening them with wasting additional time and expenses involved in submitting letters and appearing at the Commission. It will also allow us to get an accurate count on how many cases are pending Medicare set-aside approval and for how long.

cc: All Interested Parties