State of New Jersey
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
PO BOX 381
TRENTON, NEW JERSEY 08625-0381

JON S. CORZINE
Governor

DAVID J. SOCOLOW
Acting Commissioner

MEMORANDUM

June 6, 2006

To: All Judges and Attorneys

From: Peter J. Calderone, Director and Chief Judge

Subject: Medicare Conditional Payment Procedures

In a conference call with Medicare officials yesterday we were formally advised that the Center for Medicare Services ("CMS") will be transferring regional contracts for conditional payment information, reviews and approvals to a national program under one contract. However, this national program will not be operational for some time. The most optimistic time frame we were told is October, 2006.

We were also made aware that the current contractor for New Jersey, Riverbend, has discontinued many services including telephone inquires. This has put a great strain on the resolution of New Jersey workers' compensation cases where the petitioner is Medicare entitled. The backlog of cases pending Medicare conditional payment review has steadily increased in New Jersey and nationwide. Based on our discussions with CMS, this problem will only be exacerbated while the national program is being developed and implemented. We anticipate few if any conditional payment responses from CMS and its contractor during this period. Despite this serious problem, CMS has not offered any relief from its conditional payment review and approval process.

New Jersey attorneys present during the conference call will be reporting this information to the Bar Association, clients, carriers and other interested parties. We will be exploring all viable responses to this situation.