



April 3, 2023

Because many claims we process at the Fire Victim Trust (FVT) include claims for personal injury and/or emotional distress caused by the Fires, it is important to understand the process by which claimants may be required to repay healthcare insurers. This month we ask Jason Wolf, co-founder of Wolf Garretson, to answer questions about how he and his team work to satisfy reimbursement requirements while safeguarding the interests of fire survivors. His team has made incredible progress in resolving medical lien obligations that provide claimants with certainty that there is no residual payment obligation to insurers or payors.



What is a medical lien?

Most healthcare insurers have a contractual right to recover for the costs of treatment and care from awards made by settlement trusts such as the FVT. That contractual right is called a medical lien. In the FVT, the healthcare payors, including Medicare, California Medicaid (“Medi-Cal”), the Department of Veterans Affairs, and some private insurers, seek recovery for the costs of the care associated with the personal injury and emotional distress claims paid to fire survivors. This reimbursement requirement is no different than if someone was involved in a car accident in which they were injured and made a claim against their insurance company. If the insurer paid for medical expenses to treat the driver’s injuries and the driver then recovered damages in a lawsuit, they would be required to reimburse the insurance company.

What is Wolf Garretson’s role?

Wolf Garretson is an expert in the field of healthcare compliance and lien resolution in mass tort and class action settlements. The FVT Trustee appointed the firm in September of 2020 to design and oversee the Trust’s healthcare compliance program and assist in identifying and discharging healthcare reimbursements.

What is the process to resolve a medical lien?

The process starts by working with Medicare, Medi-Cal, and private health insurers to determine whether a claimant with an eligible personal injury or emotional distress claim was a beneficiary of the insurers. If an insurer paid part of the claimant’s treatment costs, the claimant may have an obligation to repay the insurer from their personal injury or emotional distress FVT award. We receive the claimant’s medical expenses, audit and

dispute any services unrelated to the claimant's injuries, and then negotiate the repayment amount to reduce the claimant's repayment obligation. We also work to address other healthcare plans such as the Department of Veterans Affairs, TRICARE, Indian Health Services, private healthcare insurance plans, and other states' Medicaid agencies.

How much progress have you made on the medical lien program?

99.8% of eligible claims have been resolved with Medicare, Medi-Cal, and private insurers. We continue to process additional claims as they're determined by the FVT.

What are your objectives for the program?

We are singularly focused on three key objectives:

- Our job is to handle the process on the claimant's behalf and advocate for timely resolution that protects the claimant's award and health benefits. We assess all liens/claims and validate recovery rights and audit all claims to ensure only reasonable injury-related expenses are repaid to the insurers. In some cases, we have secured waivers with insurers so that claimants have no repayment obligations.
- It is critical that we help fire victims maintain access to future benefits and that coverage is not disrupted because of non-compliance with reimbursement obligations.
- Our work to resolve liens must be done efficiently, quickly, and accurately.

What are the challenges with the remaining liens?

There are several challenges in the lien process that can result in delays, including:

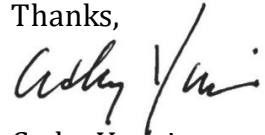
- Information required from the claimant to confirm whether the claimant was a beneficiary of an insurer.
- Claimant must have an accepted determination before healthcare obligations can be finalized.
- There can be delays with the insurer where the agency has yet to produce the itemized expenses or approve audit results.

Because medical liens are highly case-specific, any Claimant with questions about a remaining lien obligation should have their lawyer contact us at LRA@firevictimtrust.com to discuss the details of their case.

Trustee Update

Finally, let me share updated information on our work for fire survivors. As of March 31, 2023, the Trust has issued Determination Notices on 95% of submitted CQs and paid \$8.83 billion to claimants. The percentage of CQs with accepted Determination Notice now has crossed the 83% mark. We will continue working with firms and *pro se* claimants to increase notice acceptances.

Thanks,

A handwritten signature in black ink, appearing to read "Cathy Gianni". The signature is written in a cursive, flowing style.

Cathy Gianni