



Computer Risk Management, Inc.

P.O. Box 82903, Oklahoma City, OK 73148
Voice: (405) 949-0949 US Toll Free: (866) 349-0949 Fax (405) 947-3204
Website: <http://www.riskmanagers.com>

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RE: Medicare Set Asides

In my letter of May 12, 2009, I related key deadlines, as to the Medicare Set Asides. Shortly after that, the Social Security Administration delayed the “Drop Dead Date” for the final implementation of the FINAL compliance until the date of April 1, 2010. Unfortunately, they did not change the **DROP DEAD, DEAD DATE** for becoming REGISTERED as an RRE—Responsible Reporting Entity! That date is still September 30, 2009.

One of our clients in Arizona has undertaken to accomplish this. The time to do so takes no less than 3 weeks, but in reality is more like 5 weeks. For those who desire the use of an Agent, reality is more like 7 weeks. The penalty of \$1,000., per day, per claimant, makes the use of an agent much more attractive. We make the transfer of data, and changes to the required format carefully behind our secure firewall. Transmitting **Social Security Numbers** over the internet, has hazards, including HIPPA, and other exposures. Remember, some of these **SSNs** are not your own employees, but numbers of liability claimants who are by definition claimants, and people with interests directly opposed to those of your organization. “Cyber Security” policies are available, but with minimum premiums of not less than \$5,000., and deductibles of not less than \$10,000.

The upshot of this is that you still need to be registered as an RRE, by September 30, 2009, and it takes not less than 3 weeks to do so. On top of that, you still need to decide whether you want an Agent to handle your filings, and, whether you need to burden your IT departments, your HR, and your Claim Departments with this primary responsibility, and the specific supervision of the exposures it entails.

We attach the updated comprehensive letter originally sent May 12, with all its detail, and will also put out a more comprehensive view with our acclaimed News Letter, RISK EXPRESS.

Very truly yours,

John G. Sullivan, Chairman, J.D., C.P.C.U.
jsullivan@riskmanagers.com
Cell 405/203-2107