

June 19, 2008

E-Mail/Regular Mail

Honorable Diane M. Strickland
809 Oakwood Drive, SW
Roanoke, VA 24015

Boyd-Graves Lien Study Committee

Dear Judge Strickland:

I write to provide you with a preliminary report of the above Committee's activities. As you will recall this Committee is made up of The Honorable Michael P. McWeeny, Thomas G. Bell, Jr., Maureen Riley Matsen, Mary M.H. Priddy, Tom W. Williamson, and I serve as Chairman.

Two meetings of our Committee have been held, one by conference call and one in person. After the first meeting I took the liberty of inviting Christopher Allen Meyer of the Allen Firm to join the Committee. I also asked Maureen Matsen if she would seek the input of Chris Harris-Lipford, an attorney in the Attorney General's Office, who handles liens on a daily basis. She kindly agreed to do so.

Our second meeting was held on May 21, 2008 at the Office of the Attorney General. Joining that meeting also was Frank Ferguson, a Deputy Assistant Attorney General. At that time we reviewed generally the frustrations being experienced primarily by plaintiffs' attorneys in obtaining timely resolution of the liens of state hospitals and Medicaid on pending personal injury actions. It was a very congenial meeting. Ms. Lipford did an excellent job of educating the Committee on the inner workings of the Attorney General's Office regarding liens. She reminded us that the Attorney General's role is to make sure the Commonwealth of Virginia's interests are protected in personal injury settlements. Ms. Lipford has been with the Attorney General's Office for sixteen years and represents the interests of fifty-five agencies including the Department of Medical Assistance Services. She reviewed the hierarchy of settlement authority which runs from the agency level all the way to the Governor's Office with the Governor being required to approve any lien reduction request of \$250,000.00 or greater by statute.

Ms. Lipford assured the plaintiff and defense attorneys on the Committee that the Attorney General's Office understands the frustrations being experienced by counsel "in the trenches" and pointed out that her department is fully staffed for the first time. They now have twenty-two people who work in her department. They have recently added two new attorneys who deal with lien issues. One is from a defense firm background and one from a plaintiff's firm background.

Ms. Lipford pointed out they currently have three hundred pending compromise requests and since 1998 have compromised 4,500 liens. Eight to ten requests a week work their way up the chain to Frank Ferguson. They have hired Jasma Adkins from the VCU Medical Center. She is helping speed up the process of obtaining the documentation necessary to handle lien reduction requests. They have also added a case management system which is now in place for all collection matters. She indicated they are doing their best to streamline the formal approval process for lien reductions.

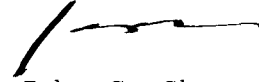
In response to questions of the Committee Ms. Lipford indicated she felt the Attorney General's Office would have an open mind to the utilization of arbitration, to time lines, and to providing speakers from their office to educate the Bar on the process. Members of the Attorney General's Office who were present at our meeting expressed a willingness to assist in distributing opinions from circuit courts around the state on lien issues to provide guidance to attorneys.

While it is clear the Attorney General's Office takes very seriously their duty to taxpayers when presented with a lien reduction request, I believe everyone in attendance came away with a greater appreciation for the issue, the way matters are currently being handled, and the efforts of the Attorney General's Office to streamline the process.

Although no formal vote of the Committee has been taken I believe the sense of the Committee, is to monitor this issue over the next year, make no formal recommendation at this time to the Boyd-Graves Conference, and to attempt to determine over the next year if the efforts of the Attorney General's Office to streamline the process are successful.

By copy of this letter to the other members of the Committee I invite them to also share with you any thoughts they have. If you have any particular questions please do not hesitate to call. I appreciate the opportunity to work on this issue for you.

Sincerely,



John C. Shea

/klh

c: Honorable Michael P. McWeeny
Thomas G. Bell, Esquire
Maureen Riley Matsen, Esquire
Mary M.H. Priddy, Esquire
Tom W. Williamson, Jr., Esquire
Christopher Allen Meyer, Esquire

Editor's Note: No formal recommendation was made in view of efforts by the Attorney General's office to a