Claims Management

Claims Management Presenters

Carol Jones
Senior Claims Liaison
Corporate Claims

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Senior Claims Liaison
Corporate Claims

Claims Management

What is Workers Compensation?

State-mandated insurance that provides **medical benefits** and **wage replacement** for employees who have job-related injuries or illnesses

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Qualifying for Workers' Compensation

California's workers' compensation system is an **ELIGIBILITY** system.

To be **eligible** for workers' compensation the injured worker has to prove that they are:

- An employee
- The injury arose out of employment (AOE)
- The injury occurred in the course of employment (COE)
- Medical causation

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Workers' Compensation Benefits

- Medical Benefits
- Temporary Disability
- Permanent Disability
- Supplemental Job Displacement Benefit
- Death Benefits

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When a Work Injury Occurs

Get medical attention for your injured employee immediately

- Call 911 (if needed)
- Provide first aid (if trained staff is available)
- Take or send the injured employee to a **State Fund Medical Provider Network (MPN) facility** if he or she has not predesignated a physician
- Employees who have predesignated can be sent to their personal physician

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Medical Provider Network - MPN

A Medical Provider Network is an entity or group of health care providers set up by an insurer to treat workers' injury or illness.

California regulations:

- **Allow employees to choose a provider within the MPN after their initial visit**
- **Provide opportunity for injured workers to seek second and third opinions**

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State Fund Medical Providers

Medical Access Assistant:
888-782-8338

Search for a medical provider on StateFundCA.com
or call/email our **Medical Access Assistant** to locate an available MPN physician or schedule a medical appointment.

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Telehealth Program

State Fund also offers **Telehealth** as a complement to our MPN on-site medical care.

✓Expanded accessibility
✓Convenient method of care delivery

Telehealth delivers care remotely through the use of a smartphone, tablet or laptop.

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Report The Claim

- ✓ Give employee **Workers' Compensation Claim Form- DWC 1 within one working day of knowledge of injury.**
- ✓ Give employee a copy of the **Employee's Guide to the State Fund Medical Provider Network** brochure at time of injury.
- ✓ File the **Workers' Compensation Claim Form- DWC 1 within one working day of receipt of this form from the employee.**
- ✓ File the **Employer's Report of Occupational Injury or Illness - Form 3067 within 5 days of knowledge of an injury.**

Required claim documents are on www.StateFundCA.com.

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Reporting Claim to State Fund

Call our toll-free **Customer Service Center at (888) 782-8338**
An expert claims representative will assist you with reporting an injury and locating a Medical Provider Network doctor.

OR

Log on to **State Fund Online** at **StateFundCA.com** and report the claim electronically

OR

Fax completed claims forms to **(800) 371-5905**

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Timely Claims Reporting

California law requires employers to report within **5 days of knowledge**

For serious injury, illness or death, employer must **report immediately (no longer than 8 hours after the incident)** to the local Cal/OSHA office.

- ✓ Early reporting reduces the probability of forgetting details relating to the accident
- ✓ A delay in reporting can raise claims costs
- ✓ First aid claims need to be reported
- ✓ **Work closely with the claims adjuster and provide any requested documents timely**

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Reporting of First Aid Claims

Effective January 1, 2017, California insurance commissioner approved changes to **require the reporting of all medical-only or "first aid" claims.**

Effective January 1, 2019, California's Workers' Compensation Insurance Rating Bureau (WCIRB) developed a new experience mod formula which **excludes the first $250** of each claim from the calculation.

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Employer COVID-19 Reporting Requirements

SB 1159 created COVID-19 reporting obligations for employers

- Effective as of **September 17, 2020**
- COVID-19 tracking and reporting requirements for ***employers with 5 or more employees***
- For specified employees, three legal presumptions that COVID-19 is work-related
- Penalty of up to $10,000 for non-compliance

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COVID-19 Claims Excluded

Claims directly arising from a diagnosis of COVID-19 with an accident date on or after December 1, 2019 to be excluded from the experience rating calculations of individual employers.

If an employee receives a positive test or diagnosis for COVID-19 and the exposure may have occurred while at work, please report it right away.

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Our Claims Response to COVID-19

- Created dedicated team to handle all COVID-19 claims
- Work closely with our Medical Provider Network (MPN) to ensure timely testing and quality care
- Close collaboration with our legal department to ensure timely investigations and decisions

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Claim Intake Process

COMPENSABILITY DECISION - the "single most important decision in the life of the claim"

To either **ACCEPT, REJECT, or DELAY** the claim.

Claim Intake Specialist has **14 days** to gather information to make a compensability decision.

- Verify coverage
- Complete initial calls within **48 hours** to the Employer, Employee or Applicant Attorney, and Medical Provider
- Obtain medical reports
- Obtain necessary documents

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Claim Intake Process – Accepted Claims

Once accepted:

For Medical Only claims

- Channel the injured worker to a MPN provider if not already done so.
- Transfer claim to Medical Only Specialist

For claims with any lost time

- Start paying Temporary Disability Benefits
- Transfer to Return to Work Specialist

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Claim Intake Process – Rejected Claims

Once rejected:

- Adjuster will attempt to settle the claim (if appropriate)
- If unable to settle, the claim will be transferred to a Litigation Specialist (settle claim or defend any appealed denials)

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Claim Intake Process – Delayed Claims

Under California law the injured worker is entitled to up to $10,000 in medical treatment.

If by the 14th day the Claim Intake Specialist does not have enough information to either accept or reject the claim, the claim will be placed on **DELAY**.

- 90 days to conduct further discovery
- Provide medical treatment

Further discovery would include:

- Additional phone calls to the Employer, Employee, Medical Provider
- Obtaining medical reports or prior medical history
- Requesting a formal investigation
- Obtaining employee's deposition

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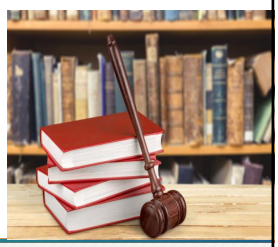
Litigated Claims

California workers' compensation claims end up in litigation for several different reasons, such as;

- Injured worker is confused about workers' comp system and seeks representation
- Claim is denied due to:
  - Injury determined not arising out of and in the course of employment
  - Lack of medical evidence to substantiate that the injury is work related



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Medical Only Claims

Non-disability claims in which an injured employee has lost three days or less of work due to the injury

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Medical Cost Containment - MPN

The purpose of an **MPN** is to provide timely, appropriate medical care to injured employees.

- Lowers medical costs
- Provides for medical control throughout life of claim

✓ Vetted medical providers
✓ Evidence-based treatment guidelines
✓ Benchmarking of outcomes

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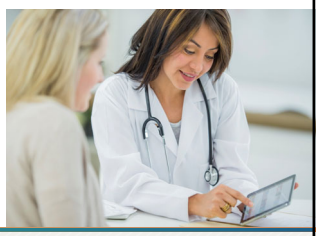
Medical Cost Containment – Utilization Review

Utilization Review is a process to review the treatment plan proposed for the injured worker to determine if it is medically necessary and appropriate.

Appropriate medical care improves medical outcomes while containing costs.



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Medical Cost Containment – Pharmacy Benefits Management

Pharmacy Benefits Management (PBM) manages drug utilization and controls pharmacy spending.

- Opioid therapy issues
- Physician dispensing
- Inappropriate prescribing
- High-cost specialty drugs
- Compounds
- Multiple pharmacy usage
- Signs of fraud, waste and misuse

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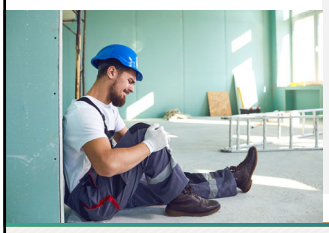
Indemnity Claims – Lost Time



Workers' compensation indemnity compensates the injured worker for lost wages.

- Temporary Disability Benefits Payments
- Permanent Disability Benefits Payments

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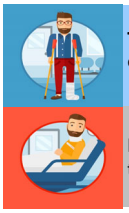
How Are Disability Benefits Determined?



Temporary disability benefits - usually 2/3 of average weekly wage.

Permanent disability benefits - based on the level of permanent impairment

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Return To Work

A plan established by the employer to help reintegrate injured workers back into the workplace.

The goal is to return employees to the workplace as soon as they are medically able.

- ✓ Reduced costs
- ✓ Quicker recovery
- ✓ Better employee relations

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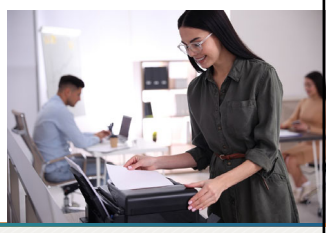
Modified Duty

An injured worker may still be able to work.

You may choose to offer **modified work or light duty** within the physical limits given by the primary treating physician.



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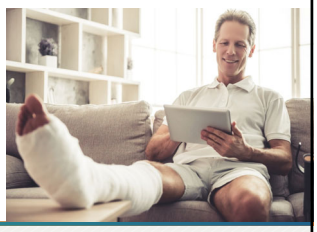
Maximum Medical Improvement (MMI)

"… refers to a date from which further recovery or deterioration is not anticipated, although over time there may be some expected change."



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Claim Resolution and Closures

The process of closing a claim starts when the worker is deemed to have reached **Maximum Medical Improvement.**

The treating doctor's opinion is that the injured worker has reached a point where his/her medical condition probably isn't going to improve.

A worker may still qualify for medical treatment after the claim is finalized.

- **Stipulation with Request for Award**
- **Compromise and Release (C&R)**

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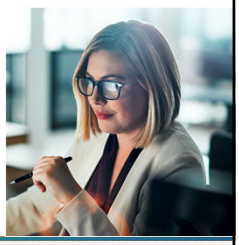
State Compensation Insurance Fund

- Founded in 1914
- Not-for-profit, public enterprise fund
- Covering more than 100,000 employers
- Committed to providing workers' compensation insurance to all California businesses

Together, we'll keep California working



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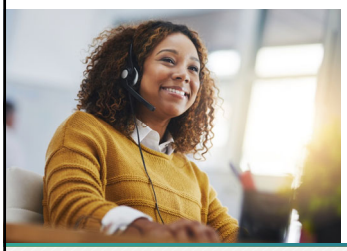
State Fund Services



- Claims Specialization
- Medical Provider Network
- Toll-Free Claims Reporting Center
- Loss Prevention Services
- www.SafeAtWorkCA.com - Your Safety Resource Center
- ***State Fund Online*** - Online Account Access
- Automated Billing
- Customer Support Center
- Anti-Fraud Resources
- www.StateFundCA.com - Policyholder Resources

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Traumatic Injury Resources

To help catastrophically injured workers and their families rebuild their lives

- Traumatic Brain Injuries
- Spinal Cord Injuries
- Amputations
- Burns
- Workplace Violence

Visit StateFundCA.com

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COVID-19 Workplace Safety Resources

Visit SafeAtWorkCA.com

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Visit us at StateFundCA.com

Customer Support Center:
(888) 782-8338

For safety resources visit
SafeAtWorkCA.com

Safety Support Unit:
(800) 675-2667

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