



RISK MANAGEMENT INFORMATION

## THE EVOLUTION OF A WORKERS' COMPENSATION CLAIM

As an employer, the administration of your workers' compensation claims can be confusing and frustrating. However, once provided with the necessary information, you will better be able to understand and manage your workers' compensation claims. This can best be understood by following the evolution of a claim. A workers' compensation claim begins with the reporting process.

To initiate the **reporting process**, employees report a workers' compensation to the employer. Under Workers' Compensation Statute, the employee has 180 days to report his or her claim. However, the employer has less flexibility in submitting this information to the Department of Labor and Industry. Once the employer is notified of the employee's injury, the employer must file the *First Report of Injury* and the *Notice of Insurer's Primary Liability Determination* within 14 days of the first date of lost time. Given a death or serious injury, the information must be received by the Department of Labor and Industry within 48 hours.

A helpful tool to use in reporting claims is the *Supervisor's Report of Accident*. Although this form is not required, it is especially useful when determining liability as it sometimes provides the employer's opinions regarding causation. The next step in the process is to investigate the claim.

The **investigation of a claim** may involve several contacts depending on the severity of claim. The following people are possible contacts:

- Employer
- Employee
- Physician
- Witnesses

In addition, medical records are often requested and reviewed in order to make a determination regarding liability. Once all the information is received and reviewed, one must make a determination regarding primary liability.

The following step is to determine if an injury is work related. An injury is considered work related when the following variables are present:

- Must sustain personal injury or occupational disease
- Injury or disease must arise out of employment
- Injury or disease must occur in the course of employment

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Consult your attorney for advice concerning specific situations.

In addition to the above, a condition or injury is considered work related if it is aggravated or accelerated by the employee's work activities. Assuming all the above variables are met, the claim is accepted. However, if it is found that the employee's condition is not work related, the basis of denial or defenses are noted on the Notice of Insurer's Primary Liability Determination.

A workers' compensation claim may be denied because of any the following arguments, which may be used in defending the claim:

- Did not arise out of or in the course of employment
- Intentional/self-inflicted
- Horseplay
- Intoxication
- Deviation—auto accident
- Stress

Once it is determined that a claim is covered, **benefits** begin. The benefits provided under the Workers' Compensation Statute begin when the employee notifies the employer of his or her injury. In turn, the employer notifies the workers' compensation carrier of the injury who pays the employee benefits.

One of the benefits provided under Workers' Compensation Statute are **medical benefits**. Under the Statute, there is no cap on medical benefits. However, providers are subject to a maximum fee under workers' compensation.

Additionally, **disability benefits** are provided under the Workers' Compensation Statute including:

- Temporary total disability
- Temporary partial disability
- Permanent partial disability
- Permanent total disability
- Death benefits

Occasionally, **rehabilitation benefits** are assigned to assist in the return to work process. These benefits are provided by a Qualified Rehabilitation Consultant (QRC). The employee may obtain these services by requesting a QRC or the employer may request these services for the employee. Upon agreement from the employer, a rehabilitation consultation is prepared by the QRC to determine if the employee qualifies for rehabilitation services. If the employee qualifies, rehabilitation services are provided. A rehabilitation consultation is required if the employee is not back to work at 90 days from the date of injury.

Finally, employers may benefit from using a **Managed Care organization** to respond to workers' compensation claims. This optional program intends to help minimize the cost of workers' compensation claims by better managing the medical costs of claims.

In conclusion, although workers' compensation claims evolve and the rules and statutes governing these claims are extensive, cities can effectively manage and understand them by having the right information on the claims process.

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