

Risk Management – CPLIC Claims Handling Guidelines

WORKERS COMPENSATION CLAIMS

ACKNOWLEDGEMENT

It is imperative that all claims be acknowledged. Acknowledgement could be sent via email, Fax or US Mail and be made as quickly as possible upon receipt of the file. Certainly acknowledgement should be sent within 24 hours of receipt.

CONTACT TIME TO REACT TO INSURED OR CLAIMANT

Contact should be made as quickly as possible and within 24 to 48 hours to both claimant and insured. This initial contact could be made in various methods including phone, email, Fax or US Mail. Telephone would, for most intent and purposes, be the most prompt and prudent method of making initial contact. All contacts should be documented to the file for reporting later and activity verification.

In some jurisdictions and situations, contact with the primary treating physician is allowed and advisable. This is known as three-point contact.

During this initial contact, one could obtain preliminary information with respect to the claim so that an appropriate strategy can be determined for the investigation.

INVESTIGATION TO BE UNDERTAKEN

As a result of the initial contact and interviews described above, a determination needs to be made as to whether formal statements or simply detailed interviews should be procured. There are certainly numerous instances where a formal documented statement would not be prudent or necessary. In those cases, an interview with claim notes would be sufficient. Otherwise, if a formal statement is deemed to be necessary, a recorded statement would likely be deemed to be sufficient. This can be undertaken either in person or on the telephone, depending on the needs of the investigation based on the facts and issues involved in the claim.

In order for a complete investigation to be secured, the reviewing adjuster must make certain to review the entire claim file as presented making certain that all issues and allegations within the claim are identified and earmarked for consideration through the investigation.

All parties involved in the allegations of the claim presented should be contacted for either an interview or a formal statement.

In addition, with workers compensation, it is important to obtain copies of all additional paperwork including but not limited to prior claims information, personnel records, other historical employment data, etc. Once the medical issues contained in the workers compensation claim are identified, securing hardcopies of that medical data becomes crucial. It is in this area of data procurement that a HIPAA Compliant Medical Authorization may be necessary.

Depending on the factual situation presented in the claim, it is also possible that additional investigative vendors would be needed including but not necessarily limited to forensic experts, accident reconstruction personnel, engineers, an assortment of medical examiners/experts, vocational rehabilitation specialists and/or surveillance investigators. All of these additional vendors would be necessary in some factual presentations in order to address certain medical and disability related allegations. The use of 35 mm, digital and/or full motion video may also be needed by the adjuster in the investigation of the claim allegations.

USE OF EXPERTS/CONSULTANTS

As described above, in certain claim processes, there may be the need for outside experts/consultants and vendors. When entertaining the use of an outside vendor, one must be certain to choose an appropriate vendor in the geographic area in question and one containing the appropriate history and expertise in the area being evaluated. In choosing the appropriate expert, the investigator may need to review company information along with vendor personnel curricula vitae and other data to support their levels of expertise. Client pre-approval may be necessary.

REPORTING AND COMMUNICATION

All communication, whether verbal or in writing, needs to be documented to the file to support activity. It would be expected that the initial report be within 7 to 10 days, depending upon the needs of the client. Follow up reports should be submitted on a monthly basis at a minimum.

All submitted reports could be directed by Fax, email or US Mail.

Long-term files require a reporting schedule consistent with file activity.

OPPOSING PARTIES

As this is traditionally an adversarial system, it is expected that emotions may become involved. It remains paramount for the adjuster to keep emotions out of the day-to-day claim activity and at all times remain polite and professional. This applies to contacts made in any format whatsoever.

As workers compensation legislation varies greatly from state to state, it may be warranted for the claim person to have the authority to contact local defense counsel in the jurisdiction of the claim.

Respect the attorney client relationship. However, many states allow direct contact with the injured employee. Make use of this provision. But make sure you understand the limitations, the subjects that can be discussed, that exist.

COVERAGE ATTORNEYS

It is always necessary to have a good working relationship with your attorneys. The attorney chosen for each claim should be one containing the specialty background involved in the claim dispute. There may also be the need for coverage attorneys to be given the opportunity to review a complete policy and all associated data with respect to the coverage issue and associated dispute.

EXPENSE CONTROL

Beyond the investigation of the file from the claim person's perspective, it is always prudent to keep cost saving measures open and available. These endeavors are usually best suited when working with outside vendors of the type mentioned above. Specific claim and billing instructions should be provided to all outside vendors so that no confusion arises over the manner and extent of charges agreed upon. The claim person should also be given the opportunity to review the file and charge data of all outside vendors for charge verification and cost control.

BILLING

Files should be billed on a monthly or bi-monthly basis as extending shelf life between billing cycles becomes cumbersome when files are quite active and complex. All bills submitted should be fully itemized so that the reviewer has a clear understanding of all activity undertaken for which charges apply. In light of an itemization, coding appears to be inappropriate.

FILE RETENTION

An understanding and agreement must be made with the client as to the location and duration of storage along with any penalties for excessive storage. This includes an understanding and agreement as to the method of disposal of aged and closed or inactive file materials.

Files should be retained at a minimum for the length of time specified by local statute or law.