

# compUpdate

Idaho State Insurance Fund

## When to file a claim

A Notice of Injury and Claim for Benefits (IC Form 1) must be filed when any of the following circumstances exist:

- ☑ A work-related injury results in the need for medical treatment by a licensed medical provider.
- ☑ A worker has missed more than one day of work as the result of a work-related injury.
- ☑ An injured worker requests to file a claim under workers compensation regardless of the circumstances.

A Notice of Injury form must be completed within 10 days from the date of knowledge of an injury. It is the employer's responsibility to

secure the information from the injured worker after receiving notification that an injury has occurred. Although it is desirable, it is not necessary to secure the employee's signature on the notice, if securing that signature delays the filing of a claim.

A notice must be filed even if the employer has doubts about the validity of a claim, as failure to do so could jeopardize the Fund's ability to defend against the claim later. If an employer questions whether an injury is work-related, has additional information, or wants the Fund to consider an investigation, the employer should attach a note to the yellow copy of the form and send it to the Fund.

## How to file a claim

When conditions require that a Notice of Injury and Claim for Benefits be filed, the employer is required by law to complete reports in duplicate and to send the original to the Industrial Commission and the duplicate to the insurance carrier.

The Notice of Injury form is provided in the Fund's Policyholder Information Packet, which is provided when an employer insures with the Fund. If you can not locate your form or need additional forms, you can call the Fund.

### To file by mail:

Mail the Notice of Injury to the proper place:

#### White copy:

Idaho Industrial Commission  
317 Main Street  
Boise, ID 83720

#### Yellow copy:

State Insurance Fund  
P.O. Box 83720  
Boise, ID 83720-0044

Mail the Notice of Injury to the Fund in the yellow envelope provided in the Policyholder Information Packet.

### To file by fax:

Our fax numbers are:

Within the Boise area: 334-3253  
In Idaho and out of state: 1-208-334-3253

### To file by phone:

In the event of an accident involving death, several workers, or very serious injuries such as amputation, we ask that policyholders report the incident by phone as soon as possible.

Our phone numbers are:

Within the Boise area: 334-2370  
In Idaho: 1-800-334-2370  
Out of state: 1-208-334-2370



*So, one of your employees has been injured on the job. What do you do? Here's some information to help answer that question and to give you a better understanding of the claims process.*



## Meet our Claims units

The Fund's Claims Department is composed of several units:

### **Claims Examiner Units:**

These units oversee all activities that take place on a claim. The claims examiners are responsible for paying benefits and returning the injured employee to work as soon as feasible. They can answer questions you have regarding a specific claim.

### **Claims Registration Unit:**

This unit is responsible for registering new claims and answering general questions regarding the claims process.

**Nurse Case Management Unit:** This unit is responsible for assisting the claims examiner, the injured worker, and the employer in coordinating the medical activities on seriously injured workers.

**Investigation Unit:** This unit conducts personal and telephone interviews to determine if an injury is compensable. It also investigates claims for subrogation (third party) recovery.

**Subrogation Unit:** If someone other than the employer or the worker contributed to or caused an accident, this unit seeks to recover reimbursements from the third party.

**Medical Cost Containment Unit:** This unit is responsible for reviewing all bills from hospitals and medical providers for accuracy and to ensure that a provider's charges do not exceed the maximum amounts allowed by the Industrial Commission for any given treatment or service.

## When an accident occurs

When an accident occurs in the workplace and results in an injury, the employer should take the following steps:

- ☑ Provide prompt medical attention, including transportation if necessary.
- ☑ Conduct an investigation immediately, documenting details in a prompt, factual manner. Secure all names of witnesses of the accident and obtain written statements from the injured worker and witnesses.
- ☑ Submit a Notice of Injury and Claim for Benefits to the Fund and the Industrial Commission. A claim cannot be opened and a claim number assigned by the Fund until the Notice of Injury is received. The notice should be completed by the employer, not the employee or medical provider.
- ☑ If a severe injury occurs (amputation, head injury, death), a phone report to the Fund should be made immediately.
- ☑ Release information to a representative of the Fund only.
- ☑ Remain aware of the employee's claim and its status.
- ☑ Show concern for the injured worker. Workers who are injured on the job often experience anxiety about the injury and its treatment, and its adverse impact on their job, economic status and family. Through early and frequent contact with the injured worker, the employer and the Fund can help calm those fears. This is often a significant factor in promoting prompt recovery, early return to work and a reduction in total claims costs.



## Starting the process

Upon receipt of a Notice of Injury and Claim for Benefits form, the State Insurance Fund will register a claim and assign a claims examiner. If there is a need for additional information on a claim, there may be a request for a medical release or a claims investigation, or both.

### **Medical release**

If prior medical information is needed to determine what benefits a worker is entitled to for a current injury, the employee may receive a request to sign and return a medical release to the Fund. The Fund may ask the worker to notify it of physicians the worker has seen in the past. All records received are considered confidential information.

### **Claim investigation**

Claim investigations are made when:

- ☑ Question of compensability is an issue, i.e., did the injury arise out of and in the course of employment?
- ☑ Additional medical information is needed to determine if previous injuries are involved.
- ☑ Additional information for a third-party claim is needed.
- ☑ Written statements are needed to determine the exact nature of the injury..

During an investigation, the worker, the employer and any witnesses to the injury may be contacted by an Investigator, who will schedule appointments to take recorded statements. It is the employer's obligation to cooperate fully with State Insurance Fund personnel during a claim investigation.

## Choosing a physician

The employer has the responsibility to provide adequate medical care for an injured worker at the time of an accident. If you have selected a company physician, it is reasonable to send all non-life-threatening injuries to that physician for care as the initial medical attendant. If no designated physician is available, the employee may select the physician of his or her choice for initial treatment.



## Medical referrals

Referrals from one physician to another must be made by the attending physician. Unless extenuating circumstances exist, payment by the State Insurance Fund may be withheld for treatment in which a referral did not take place.

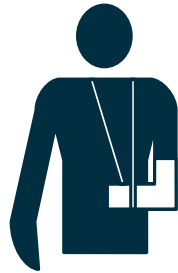
Should the injured worker require or request a change of physician without a referral from the attending physician, it is necessary to notify the Fund before making the change. The injured worker may formally request a change of physician by completing the Industrial Commission's Petition for Change of Physician form.

## Independent medical examinations

The Fund may request independent consulting examinations. It is the obligation of the employee to keep necessary appointments when requested. At times, the Fund will request the injured worker attend an appointment with a panel of physicians for the purpose of determining medical diagnosis, medical treatment, and permanent partial impairment awards. The injured worker will be given adequate notice of the appointment, and necessary travel expenses will be covered.

## Rehabilitation

If an injured worker is unable to return to employment or it is anticipated that there will be some permanent restrictions that will cause an injured worker to be unable to perform his or her regular job duties, the State Insurance Fund may request the assistance of rehabilitation consultants.



Rehabilitation consultants are charged with the responsibility of assisting the injured worker, the employer, the Fund, and the physician in returning the injured worker to employment. It is the obligation of the injured worker to cooperate with the rehabilitation consultants.

## Following the process

It's important in the claims process that employers take an active role in the claim. This includes such things as designating a medical provider, offering modified duty, or light work, in order to bring injured workers back to work as soon as possible, and paying attention to the notices and requests for information from the Fund.

### Modified duty

Modified duty means altering the current job to meet the work restrictions or temporarily transferring the worker to another job. Job modification can be accomplished through the efforts of rehabilitation consultants working with the employer and the physician.

The bottom line is to bring the worker back to work in a position that meets the doctor's restrictions.

Modified duty positions generally are not permanent. They are transition jobs.

If an injured worker declines a legitimate offer of a modified duty job, which has been approved by the treating physician, there could be a basis to stop compensation benefits. The job should be offered in writing and have a written job description. If an employer is considering a modified duty job, the employer should consult with the claims examiner.

If the modified duty position pays less than the person's regular pay, the employer should inform the examiner. Additional benefits may be due.

### Notices or requests

The Fund routinely sends notices and requests for information to injured workers, employers and medical providers. By paying attention to the notices and requests, an employer can play a key role in claims management by ensuring accuracy of information, timeliness and appropriateness of payments of benefits to injured workers, and for treatment by medical providers.

### STATE INSURANCE FUND FAX NUMBERS

Claims .....	208-334-3253
Underwriting .....	208-334-3254
Premium Auditing .....	208-334-3254
Risk Management .....	208-334-3696
Certificate requests .....	208-334-3254

### CERTIFICATE OF INSURANCE REQUEST LINE

1-800-334-2370 ext. 200

# Employer's Supplemental Report

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An Employer's Supplemental Report (IC Form 14) should be completed and mailed to the State Insurance Fund and the Industrial Commission when any of the following occur:

- ☑ The injured worker has returned to work regardless of the length of time unable to work.
- ☑ If the injured worker is unable to work for more than five days.
- ☑ The injured worker is unable to work after 60 days.
- ☑ An additional request may be made by the Fund's Claims Department when it is necessary to document information from a physician or secure additional information to further assess the need for rehabilitation services.

A form will be supplied by the claims examiner, or can be obtained by calling the Fund.

## Closing a claim

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A claim is considered for closure when:

- ☑ A final medical report is received that indicates no further treatment is necessary.
- ☑ The injured worker has successfully returned to work at full duty for a period of at least 30 days.
- ☑ A medical report is received that indicates an injured worker is to return on a "PRN" (as necessary) basis.
- ☑ No activity has occurred on the file for 30-60 days.
- ☑ The injured worker's condition is deemed medically stable.
- ☑ A Permanent Partial Impairment (PPI) award has been paid in full.

## Medical benefits

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Reasonable and necessary medical treatment as prescribed by a treating physician is provided by workers compensation. The following medical benefits are covered:

- ☑ All medical, surgical, hospital and nursing care reasonably necessary for treatment and rehabilitation, including prescribed medications.
- ☑ Crutches and apparatus prescribed by the attending physician that may be needed for a reasonable time.
- ☑ Necessary replacement or repair of appliances or prosthesis unless the need is due to a lack of proper care by the injured worker.
- ☑ Reimbursement for reasonable travel expenses for medical examination or treatment.
- ☑ Replacement of glasses with like kind and quality when broken in a work-related accident when an injury has been sustained. It is not necessary that the injury require medical attention by a physician. Injuries such as abrasions, bruises, etc., may be sufficient to allow for replacement of broken glasses.

Medical charges are paid on usual and customary rates. If a bill paid on a file is reduced to comply with the usual and customary rates, the injured worker or employer is not responsible for the balance of the charges. If an injured worker receives any statements requesting the worker to pay the balance of the charges, the worker should contact the Fund. An injured worker will be responsible, however, for charges unrelated to an injury or non-covered expenses incurred.

## Income benefits

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In order to receive income benefits, the time lost from work (disability) must be authorized by a treating physician. Income benefits are payable if an employee is disabled from work more than five calendar days. Benefits are payable from the sixth day after disability unless an employee is hospitalized overnight or disability exceeds 14 days. Under these conditions, benefits are payable from the date of disability.

Various degrees of disability may result from job-related injuries. Some workers are back on the job just days after an accident, while others may never be employed again. Workers compensation benefits reflect these differences and are awarded in several categories according to the length and severity of injuries.

Benefit levels are based on a percentage of the worker's average weekly wage or the State Average Weekly Wage, which is an amount determined each year by the state Department of Labor. The most common types of disabilities are:

**Temporary Total Disability (TTD):** Benefits are paid during the period of recovery when an injured worker is authorized by a doctor to stay off work or until he or she reaches maximum medical improvement. Benefits are paid, usually every two weeks, when a worker is *temporarily totally unable* to return to work.

**Temporary Partial Disability (TPD):** This disability covers instances in which an injured worker's wage-earning capability is less due to medical restrictions resulting from an accident. Benefits are paid during the period of recovery when an employee is able to resume work in a different capacity, or on a part-time basis at a reduced rate of pay.

**Permanent Partial Impairment (PPI):** Benefits are paid when an injured worker suffers a permanent partial loss of function of a body part. Determination of impairment is based on a medical assessment done by a physician.

**Permanent Partial Disability (PPD):** If a worker suffers a Permanent Partial Impairment and a decrease in wage-earning capacity, the worker may be entitled to a Permanent Partial Disability. The percentage of disability is determined by the Industrial Commission based on the facts of the case.

## Dispute resolution

Most claims are processed without incident. At times, disputes may arise between an injured worker and the surety. If an employee disagrees with a decision that has been made regarding a claim, the employee is urged to contact the claims examiner to see if the issue can be resolved. The examiner will listen to the complaint and review the claim file. Then the examiner will notify the employee if the issue can be resolved or will inform the employee of his or her options.

Options for resolving disputes are:

### Lump sum settlement

If there is a dispute between an injured worker and the Fund regarding entitlement to benefits, both parties may agree to a cash settlement. In exchange for a cash settlement, the claim is closed and cannot be reopened. All lump sum settlements must be approved by the Industrial Commission. This process generally takes one to two months. The Fund will attempt to contact policyholders before any lump sum settlement negotiations are held.

### Mediation

Mediation enables the parties to negotiate their disputes in an informal, non-binding atmosphere. An Industrial Commission mediator facilitates a discussion between the injured worker and the Fund to work toward an acceptable resolution of the disputed matters. This process generally takes one to two months. Policyholders are encouraged to attend the mediation sessions.

### Hearing

If the dispute cannot be resolved, an injured worker can elect to go through the formal hearing process. This proceeding brings the dispute before the three Industrial Commissioners or one of the Industrial Commission referees. A hearing date is set for the evidence and legal arguments to be heard. The Commission will then consider the facts and issue a binding decision. This process generally takes six months to one year.

The Fund will make every effort to resolve any disputes in a fair and equitable manner. If an injured worker feels it is necessary, he or she has the right to hire an attorney. Generally, the injured worker will be responsible for the cost of his or her attorney based on state law and the rules adopted by the Industrial Commission. Once an injured worker retains an attorney, legal protocol will require that all communications must be through the worker's attorney and the Fund can not ethically discuss the claim directly with the employee.

## MIRA aids in case reserving

One very important job of the Fund's Claims Department is to set case reserves, and now the Fund has a new tool to assist in this task, the Micro Insurance Reserve Analysis system.

MIRA assists claims examiners by showing what past Fund costs were for similar claims. Accuracy in case reserving — determining the future expenses that claims will incur — is important for both the insurance carrier and the policyholder.

Insurance carriers are required to determine case reserves to ensure their ability to pay future claims. Under-reserving could result in a carrier having to dip into surplus to pay bills and even put a carrier at risk of insolvency. Over-reserving could end up hurting a policyholder's experience modification, resulting in higher premiums.

Setting a case reserve involves an educated estimate of how much a particular claim will ultimately cost, which includes the actual amount that has already been spent. MIRA is a sophisticated tool tailored for the Fund that accurately reflects the cost of similar claims at the Fund. It reviews each claim uniquely and arrives at its estimates based on the individual merits of each claim.

Each claim can be analyzed using up to 66 characteristics, or cost drivers, such as age, nature of injury, compensation rate, class codes, litigation, geographic region, payments made on the claim, and body part code.

MIRA is a customized, statistical model developed using the Fund's past compensation data. This consisted of 147,486 claim records, including 141,107 closed and 6,379 open claims. A total of 624,558 payment transactions, and 968,583 reserve transactions were used to build the model.

MIRA won't do all the work for our claims examiners, however. The system is an advisory tool; ultimate decisions on claims reserves remain up to claims examiners.

## Fund participates in healthcare conference

Members of the Claims Department's Cost Containment Unit recently participated in the sixth annual Idaho Healthcare Conference.

The conference was conducted in six communities and included participation by insurance providers and the Department of Health and Welfare. Attending were representatives of medical providers and hospitals.

The Fund's Cost Containment Unit reviews bills from providers and hospitals to ensure accuracy. At the conference, the unit's staff gave a presentation on the claims process, as well as the Fund's payment process and other issues affecting providers.

"Our goal is to keep providers informed about our processes and policies in order to ensure medical payments are made in a timely fashion and are accurate," said Julie Cooper, the Fund's assistant manager for claims. "Maintaining good relations with providers benefits everyone involved in the claims process — injured workers, employers, providers, and the Fund."

**State Insurance Fund**  
**1215 West State Street**  
**P.O. Box 83720**  
**Boise, ID 83720-0044**  
**1-800-334-2370**

**Service Locations Statewide**

*Coeur d'Alene*  
Harbor Center  
1000 W. Hubbard St., Suite 100  
Coeur d'Alene, ID 83814-2276  
208/769-1513

*Lewiston*  
1118 F Street  
Lewiston, ID 83501-1986  
208/799-5050

*Pocatello*  
353 N. 4th Ave., Suite 280  
P.O. Box 2228  
Pocatello, ID 83206-2228  
208/233-6302

*Twin Falls*  
621 N. College Road  
Twin Falls, ID 83301-3628  
208/733-0053

*Idaho Falls*  
525 Park Avenue, Suite 2C  
Idaho Falls, ID 83402-3515  
208/525-7287

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**Home page:** [www2.state.id.us/isif/](http://www2.state.id.us/isif/)

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