

WORKERS' COMPENSATION "START TO FINISH"

*Illinois Rural Water Association
Administrative Conference*

*Eastland Suites Hotel & Conference Center
July 13, 2023*

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SEMINAR OBJECTIVES

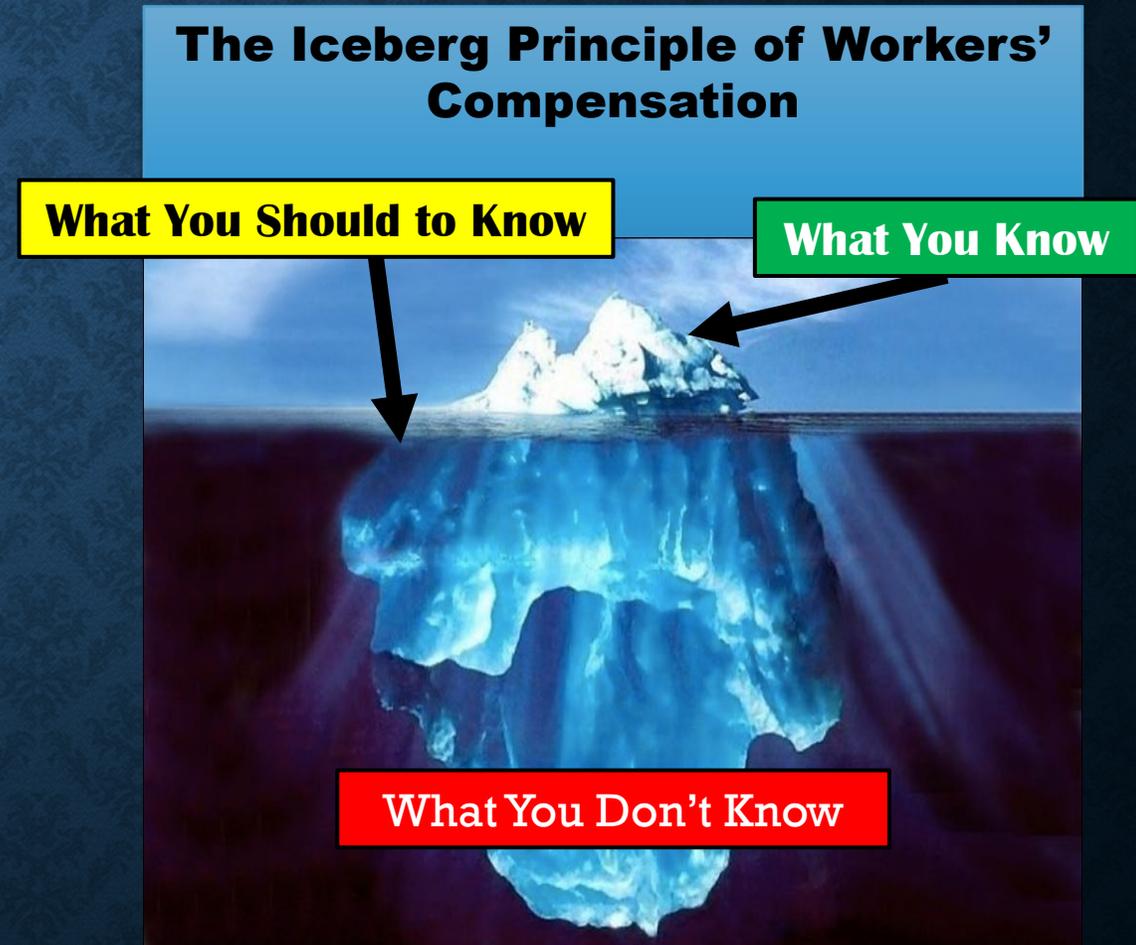
Participants will take a journey from the filing of a claim to acceptance and beyond. And just as important, the speakers will cover significant cases and the aspects of procedural and substantive workers' compensation law, including compensability and responsibility issues:

- What is Workers' Compensation?
- Role of the WC carrier and the claims process.
- The process and steps the member agency needs to apply when a duty injury occurs.
- The filing of application to the final resolution.

WHAT IS WORKERS' COMPENSATION?

A system of compensating employees injured on the job regardless of fault.

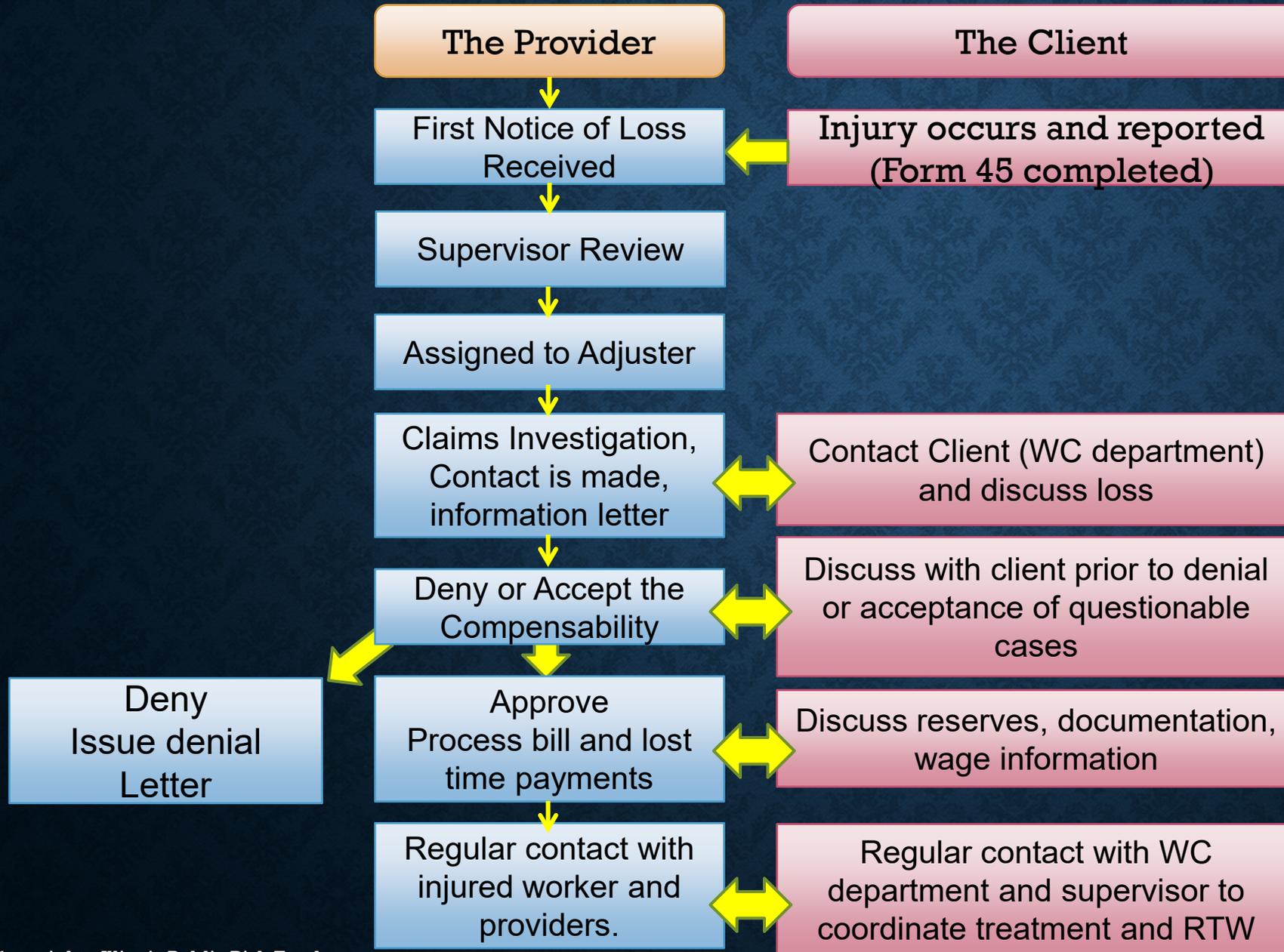
- Workers' comp is good for your organization and your employees.
- It ensures prompt and proper care for work-related injuries and illness.
- It provides income while workers recover and eases their return to work.



THE RELATIONSHIP BETWEEN THE CLIENT AND PROVIDER DURING THE CLAIM PROCESS

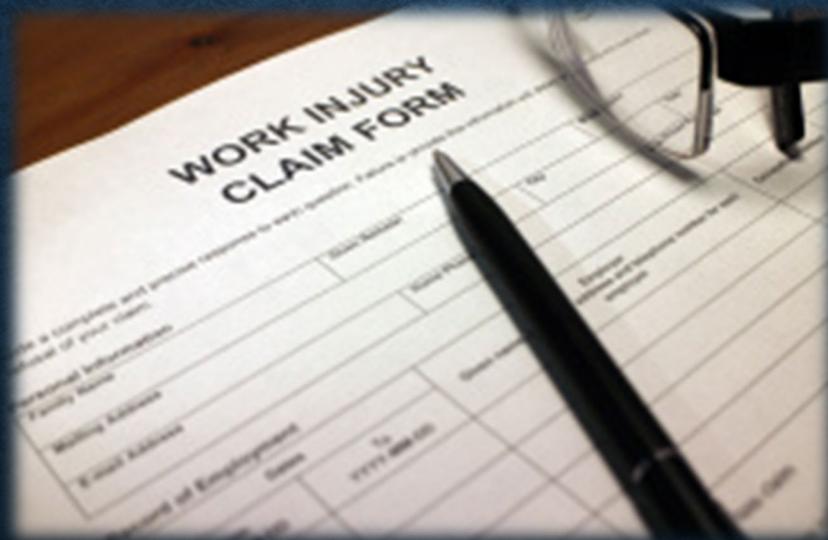


THE WORKING RELATIONSHIP BETWEEN THE CLIENT AND PROVIDER



WORKPLACE INJURY OCCURS

What steps the member agency needs to take?



THE STEPS THAT NEED TO TAKE PLACE WHEN THE INJURY OCCURS AT WORK

Step 1

- **Arrange Medical Care for the Injured Employee**
 - In an emergency call 911 immediately
 - Render emergency medical care
 - If injury occurs off premise, go to the nearest emergency room.

Step 2

- **Supervisors Responsibility**
 - Supervisor completes Incident Report (Form 45)
 - Employer must file a report in writing of injuries which arise out of and in the course of employment resulting in the loss of more than three scheduled workdays.
 - For death cases, the member agency needs to contact their Adjuster for notification guidance.
 - Following protocol, forward to workers' compensation provider.
 - Inform all applicable supervisors and safety committee

FIRST REPORT OF INJURY (FORM 45)

ILLINOIS FORM 45: EMPLOYER'S FIRST REPORT OF INJURY			<i>Please type or print.</i>
Employer's FEIN	Date of report	Case or File #	Is this a lost workday case? <input type="checkbox"/> Yes <input type="checkbox"/> No
Employer's name		Doing business as	
Employer's mailing address		Employer's email address	
Nature of business or service		SIC code	
Name of workers' compensation carrier/admin.	Policy/Contract #	Self-insured? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Employee's full name		Birthdate	
Employee's mailing address		Employee's e-mail address	
Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	Marital status <input type="checkbox"/> Married <input type="checkbox"/> Single	# Dependents	Employee's average weekly wage
Job title or occupation		Date hired	
Time employee began work	Date and time of accident	Last day employee worked	
If the employee died as a result of the accident, give the date of death.		Did the accident occur on the employer's premises? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address of accident			
What was the employee doing when the accident occurred?			
How did the accident occur?			
What was the injury or illness? List the part of body affected and explain how it was affected.			
What object or substance, if any, directly harmed the employee?			
Name and address of physician/health care professional			
If treatment was given away from the worksite, list the name and address of the place it was given.			
Was the employee treated in an emergency room? <input type="checkbox"/> Yes <input type="checkbox"/> No		Was the employee hospitalized overnight as an inpatient? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Report prepared by	Signature	Title and telephone #	Email address

Please send this form to: **ILLINOIS WORKERS' COMPENSATION COMMISSION 4500 S. SIXTH ST. FRONTAGE RD SPRINGFIELD, IL 62703**
 By law, employers must keep accurate records of all work-related injuries and illness (except for certain minor injuries). Employers shall report to the Commission all injuries resulting in the loss of more than three scheduled workdays. Filing this form does not affect liability under the Workers' Compensation Act and is not incriminatory in any way. This information is confidential. IC45 8/12

IMPORTANT TO NOTE THAT THE “FIRST REPORT OF INJURY (FORM 45)” NEEDS TO BE SUBMITTED AS SOON AS POSSIBLE!

Benefits of timely reporting

- Information is still fresh for the employees and witnesses
- A baseline of the accident is created and diminishes the opportunity for the details to be changed
- It allows for early control of medical care and eliminates unauthorized time away from work
- Allows the employee to receive the appropriate medical care timely
- Late reporting can jeopardize benefits to both employer and employee

EARLY INTERVENTION

Claims reported after 1 week

- Overall injuries are 18% more expensive
- Back injuries are 35% more expensive
- Soft tissue injuries are 13% more expensive
- 22% of claims have attorney involvement
- Claims reported after 2 weeks are 45% more expensive

THE STEPS THAT NEED TO TAKE PLACE WHEN THE INJURY OCCURS AT WORK

Step 3

• **Injured Worker Responsibility**

- The employee shall give notice to the employer as soon as practicable.
- Complete employee incident or injury report (inter-department form).
- Employee must provide their version of events.

Step 4

• **Accident Investigation**

- Interviewing injured personnel and witnesses.
- Examining the injured employee's work area for causative factor
- Reviewing established procedures to ensure they are adequate and were followed.
- Reviewing training records of affected employee and determine all contributing causes of the accident.
- Taking corrective actions to prevent accident/exposure from reoccurring.
- Recording and reporting all findings and actions taken.

THE STEPS THAT NEED TO TAKE PLACE WHEN THE INJURY OCCURS AT WORK

Step 5

- **Contact with the injured/ill employee.**
 - Keep up employee's morale
 - Encourage employees to maintain treatment
 - Demonstrate that the employee is expected back at work
 - Show concern for employee's well-being

Step 6

- **Returning to Work**
 - Member will notify the adjuster of the return to work status.

CLAIM AND REPORT FILINGS



ILLINOIS PUBLIC RISK FUND

Cost Control Through Cooperation Since 1985

Claim and Report Filings

Name of form	Required	Completed by	Submittal time
<i>First Report of Injury Form 45</i>	Yes State Law	Supervisor	Within 24 Hours
<i>Supervisor Investigation Report From 45-A</i>	Yes IPRF	Supervisor	Within 24 Hours
<i>Injury Description Report Form 45-B</i>	Yes IPRF	Supervisor	Within 24 Hours
<i>Witness Report Form 45-C</i>	Yes IPRF	Witness	Within 24 Hours
<i>Employee Accident/Injury Report Form 45-D</i>	Yes IPRF	Injured employee	As soon as employee is able to complete the report.
<i>Questionable Claim Form Form 45-E</i>	No IPRF	Member agency claims contact	Anytime during the claims process
<i>Medical Authorization Form Form 45-F</i>	Yes IPRF	Supervisor must obtain signature from injured employee	As soon as employee is able to sign the release

HOW DOES THE PROVIDER HANDLE THE CLAIM?



WORKERS COMPENSATION CARRIER AND HOW THEY HANDLE THE CLAIM

Loss / Injury Occurred

First Notice of Loss is submitted to Carrier

- Internet
- Fax
- Email



Claims Supervisor reviews and determines initial compensability liability and assignment of the Claim

1ST NOTICE OF LOSS CLAIMS PROCESS (CONTINUED)

Claims Supervisor Review

- Coverage issue and retention limits
- Medical Only
- Record Only
- Log-Time
- Questionable/Deniable – Red Flags
 - No Witness
 - Repeat Offender
 - Details inconsistent between reports



1ST NOTICE OF LOSS CLAIMS PROCESS (CONTINUED)

Claims Investigation

- 1st Notice of Loss reviewed to identify any red flags and if applicable, establish investigation plan.
- Determine compensability.
- Obtain and review medical.
- Obtain and review prior medical.
- Obtain employment history.
- Take statements or interview of appropriate personnel when necessary (Claimant, Witnesses, Etc.).
- Identify and pursue all appropriate subrogation.

*Not all injuries
that happen at
work are work
related*



1ST NOTICE OF LOSS CLAIMS PROCESS (CONTINUED)



COMPENSABLE CLAIM

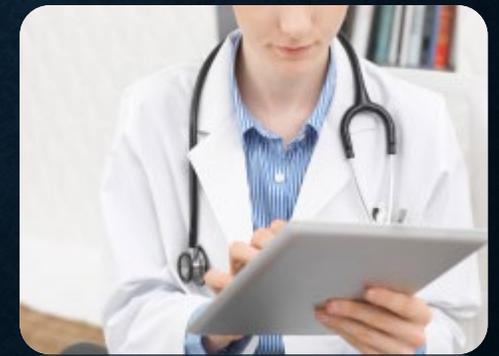
- Review compensability rationale and recommend future handling of claim with client.
- Establish case reserves.
- Pay appropriate benefits.
- Develop and maintain aggressive action plan to bring the claim to conclusion.
- Cost containment through medical management.
- Litigation management when appropriate.

QUESTIONABLE/DENIED

- Review defense strategies and recommendations for future handling with client.
- Establish appropriate case reserves.
- Continue in-depth investigation.
- Prepare case for defense.
- Develop and maintain aggressive action plan to bring the claim to conclusion.
- Litigation management when appropriate.

THE COMPENSABLE CLAIM MEDICAL

- Adjuster - Assist the injured worker to understanding their injury and or treatment.
- Independent Medical Exam (IME's) purpose and role. (Why does it take so long for an IME?)
 - Did the mechanism of injury cause or aggravated the employees current condition.
 - Treatment reasonable and necessary?
 - To obtain further treatment recommendations.
 - To obtain work status or Return To Work timelines.
- Nurse Care Management – Explain their role if applicable.



THE COMPENSABLE CLAIM

TTD (TEMPORARY TOTAL DISABILITY)

The Workers' Compensation Act States:

- TTD is not paid for the first three lost workdays, unless the employee misses 14 or more calendar days due to the injury.
- The TTD benefit is two-thirds (66 2/3%) of the employee's average weekly wage, subject to minimum and maximum limits. The minimums and maximums for TTD are available in Commission offices and online at www.iwcc.il.gov/benefits.htm.
- The calculation of AWW can be complicated and will depend on the facts of each case. Generally, AWW is based on the employee's gross (pre-tax) wages during the 52 weeks before the date of injury or exposure. However, the calculation of AWW may be affected by many different factors, including, but not limited to: if the employee had more than one job at the time of the injury, worked less than 52 weeks, or on a casual basis.

THE COMPENSABLE CLAIM

TPD (TEMPORARY PARTIAL DISABILITY)

- TPD is the benefit that may be received during the period in which an injured employee is still healing and is working light duty, on a part-time or full-time basis, and earning less than he or she would earn in the pre-injury employment. The employer pays TPD benefits to an injured employee until the employee has returned to his or her regular job or has reached maximum medical improvement (MMI).

Maximum Medical Improvement (MMI) is defined as the point at which the injured worker's medical condition has stabilized and further functional improvement is unlikely, despite continued medical treatment or physical rehabilitation. A treatment plateau in the injured workers' recovery is reached and that is as good as the individual is going to get. In some instances, it may mean that the injured worker has fully recovered from the injury. At MMI, no further healing or improvement is expected and the degree of permanent or partial impairment can now be determined.

THE COMPENSABLE CLAIM PPD (PERMANENT PARTIAL DISABILITY)

- Reflects permanent disability or loss earnings.
- Employees have a right to an attorney but do not necessarily need to engage one.
- To determine the extent of disability an American Medical Association (AMA) rating may be obtained.
- The rating will help to determine impairment.
- The Arbitrator will determine the value of permanency with or without employee representation or legal council.

WORKERS' COMPENSATION PPD SETTLEMENTS

There are several factors to determine a settlement offer and any offer will not be pursued until the Employee obtains full medical improvement

One of the settlement factors is to determine the degree or percentage of body impairment that the injured employee has based upon the injury (100 percent is fully impaired and 0 percent is completely healed).

This information is obtained from the physician's narrative opinion in the final medical report connected with the injury. The regulations in the State of Illinois will determine the correlation between percentage rating and time to heal for your particular injury as well as the workman's comp wage. The workman's comp wage will be multiplied by the time to heal, and this amount will comprise another part of your workman's compensation settlement.

HOW ARE SETTLEMENTS DETERMINED?

An injured employee can collect a weekly permanent disability payment based on 60% of their average weekly wage (AWW). Illinois law sets a number of weeks of compensation for about 25 specific body parts. You multiply the number of weeks for the body part by 60% of your AWW to come up with your permanent partial disability benefit.

Part of Body	Number of Weeks Paid
Hand	205
Thumb	76
Index finger	43
Middle finger	38
Ring finger	27
Pinky finger	22
Arm	253

WORKERS' COMPENSATION PPD SETTLEMENTS (CONTINUED)

Let's say your employee breaks their arm and has a 15% disability allocated to it either because lots of older cases gave that percentage to similar cases or based on the AMA Guide.

253 weeks for a useless arm X 15% disability = 37.95 weeks

37.95 weeks X your PPD rate(permanent disability rate)= CASE VALUE*

Let's be more specific.

Remember that you earn \$52,000 a year or \$1000 a week.

Your AWW is \$1000.

Illinois uses 60% of the AWW for most PPD rates

\$1000 X 60% = \$600 weekly PPD rate

253 x 15% =37.95 weeks of PPD for your broken arm

37.95 weeks of PPD X \$600 PPD rate = \$22,770.

Part of Body	Number of Weeks Paid
Arm	253

There are a great many variables. I cannot stress that enough.

THE COMPENSABLE CLAIM MAINTAINING CONTACT WITH THE INJURED WORKER!

- Maintain contact with the injured worker on a regular basis (at least every week).
- At every doctors visit, require the injured worker to obtain a (hand written) work status report from the attending physician or therapist. That injured employee is to then submit the report to their contact.



THE COMPENSABLE CLAIM ALTERNATIVE COMPENSATION

- PUBLIC EMPLOYEES DISABILITY ACT (PEDA)
 - Injured public servants who qualify for benefits under the Public Employees Disability Act are entitled to receive their full salary paid to them for the duration of their disability up to a total of 52 weeks.
 - Cannot work in any capacity.
- Accident Sickness Policy.
- Long Term and Short Term Disability Policy.
- Member Customized Programs.



ALTERNATE DUTY

- Transitional phase
- Way for a recovering employee to make productive contribution
- Temporary
- Monitored
- Chance for employee to rebuild strength
- Opportunity for employee to learn prevention techniques
- Morale booster



What Alternate Duty Isn't

FILING THE APPLICATION BEFORE THE ILLINOIS WORKERS' COMPENSATION COMMISSION



THE ILLINOIS WORKERS' COMPENSATION COMMISSION

- Application for Adjustment of Claim
- First Hearing Notice
- Request for Hearing
- Status Call
- Settlement
- Trial/Arbitration
- <http://www.iwcc.il.gov/forms.htm#other>



THE ILLINOIS WORKERS' COMPENSATION COMMISSION (CONTINUED)

- Decision of the Arbitrator
- Appeal Decision of the Arbitrator to the Illinois Workers' Compensation Commission?
- Illinois Workers' Compensation Commission Process
- Illinois Workers' Compensation Commission Decision/ Appeal Decision of the Illinois Workers' Compensation Commission to the Circuit Court?
- Circuit Court Process

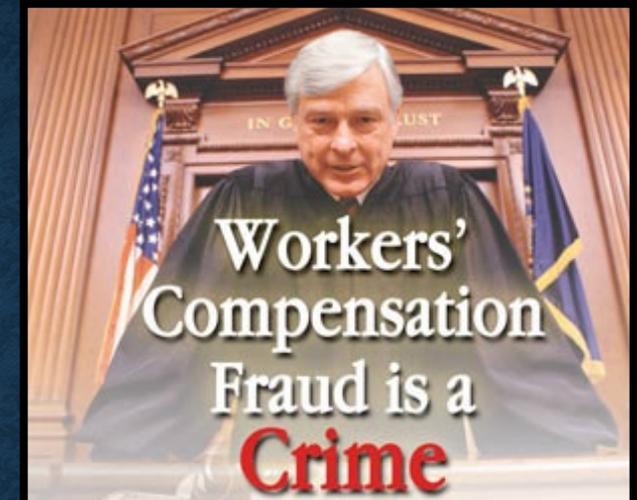
THE ILLINOIS WORKERS' COMPENSATION COMMISSION TO THE ILLINOIS SUPREME COURT, THE PROCESS (CONTINUED)

- Circuit Court Decision/Appeal Decision of the Circuit Court to the Appellate Court Workers' Compensation Division?
- Appellate Court Workers' Compensation Division Process
- Decision of the Appellate Court Workers' Compensation Division/Appeal
- Decision of the Appellate Court Workers' Compensation Division to the Illinois Supreme Court?
- Illinois Supreme Court Process
- Decision of the Illinois Supreme Court

FRAUD

If insurer suspects fraud they have the right to investigate.

- Social media
- Call from the Chief
- Phone call tips
- Working a second job while off on a duty injury
- IPRF Website - Form
- The Act provides the Department of Insurance with authority to subpoena medical records pursuant to an investigation of fraud.
- All reports of fraud not forwarded for prosecution shall be destroyed.
- The set penalties for fraud are based on the amount of money involved from a Class A misdemeanor (less than \$300) to a Class I felony (more than \$100,000). The Amendments also require restitution to be ordered in q cases of fraud.



WORKERS' COMPENSATION CLAIMS INDICATORS OR "RED FLAGS"

Potential Red Flag Indicators

- The employee is disgruntled or a poor performer
- Accident is not witnessed
- Claim was reported late with very few details
- Occurs at the start of the shift or outside of assigned work area
- Incident occurs following a layoff or long weekend
- Employee maybe having financial issues
- Employee is never home when you call
- Treatment initiated with a family physician
- Employee is out of vacation time and needs time off work
- Employee is missing scheduled medical appointments

KEY POINTS TO REMEMBER

- Report all injuries and illness promptly.
- Help workers file claims.
- Maintain contact with workers on leave.
- Help make the transition back to work.
- Help reduce claims and keep down costs by promoting safety and preventing accidents.

