

Step 6

Report a fraudulent workers compensation claim to your claims representative

If a claim is recognized to have a combination of the following workers compensation fraud / abuse indicators, please notify your claims representative:

- Injured worker is disgruntled or on the verge of being terminated
- Injured worker is a "recent hire" (less than one year)
- Injured worker is never home or available, and must always call you back
- Details of the accident are vague
- Disability period is extended beyond what would be expected or medically substantiated
- Existence of prior claims
- Late report of injury
- Accident is reported as occurring on a Monday or in an area in which the employee would not normally be working
- Missed or cancelled appointments
- Treatment by multiple physicians
- Injured worker inquires about an advance settlement early in the life of the claim, or is overly pushy and demanding of a quick settlement
- A "tip" is received that the injured worker is employed elsewhere, or is engaging in activity inconsistent with his/her injury
- Injured worker provides a post office box for an address, or changes addresses three or more times during the injury

One of these indicators by itself is not evidence of abuse or fraud, but a combination of two or more indicators is cause for concern and should be explored.

First Aid Treatment

Workers compensation laws allow an employer to pay for an employee's first aid treatment. Doing so will help to reduce your claim costs and ultimately save you money. First aid is a medical determination made by a doctor rendering the treatment and care to your employees. **An employer or an insurance carrier never makes such determination.**

First aid is defined by law as *"any one-time treatment and any follow-up visit for the purpose of observation of minor scratches, cuts, burns, splinters, and so forth, which do not ordinarily require medical care, such one-time treatment and follow-up visits for the purpose of observation is considered first aid, even though provided by a physician or registered professional personnel."*

If a claim is determined to be a First Aid case, you have the choice to pay for the billing invoice, in order to reduce your costs and claim frequency.

The following are examples of first aid treatment:

- Application of antiseptics during the first visit by medical personnel
- Treatment of first-degree burns
- Application of bandage(s) or use of elastic bandage(s) during the first visit by medical personnel
- Removal of foreign bodies from wound, if procedure is uncomplicated and is, for example removed by tweezers or another simple technique
- Use of non-prescription medication and administration of a single dose of prescription medication on first visit for minor injury or discomfort
- Soaking therapy on initial visit by medical personnel or removal of bandages by soaking
- Application of hot or cold compress(es) during the first visit by medical personnel
- Application of ointments to abrasions to prevent drying or cracking
- Use of whirlpool bath therapy during the first visit to medical personnel
- Observation of injury during visit by medical personnel
- Administration of tetanus shots

If you have any questions, please contact your insurance agent at Cavignac & Associates

**CAVIGNAC &
ASSOCIATES**
INSURANCE BROKERS

Workers Compensation Claim Reporting Procedures and Steps to Lower Your Costs



Step 1

Conduct a comprehensive accident investigation into the facts of the accident.

Answer the 5 W's:

Who, What, When, Where, Why, How

Step 2



The single most important step that you can take to lower your costs and manage your workers compensation claims is to report them within 24 hours of injury.

- (a) Report the claim immediately.
- (b) Provide the injured employee with an employee claim form, and
- (c) Prepare your Employers Report of Occupational Injury.

There are many reporting options:

- Call the carrier's 24-Hour Call Center
- Fax the report to your carrier
- Call, fax and/or e-mail Cavignac & Associates

Reap the benefits of timely reporting:

- Possibly lower insurance premiums
- Determine if the claim is work-related
- Provide the best, most cost-effective medical care
- Begin the return to work process
- Explain benefits to employees
- Limit financial exposure
- Control medical treatment
- Initiate necessary investigation
- Limit litigation

You are required under the provisions of the insurance policy and by Labor Code Sections 6409.1, 14001(e), 14004 and 3760 to report any workers compensation claims within 5 days of knowledge of the injury.

Labor Code Section 5402 states, "*Knowledge of an injury obtained from any source, on the part of an employer, his or her managing agent, superintendent, foreman, or other person in authority and knowledge of the assertion of claim of injury which is sufficient to afford opportunity to make an investigation into the facts is equivalent to*" knowledge of an injury.

Step 2 (continued)



Your carrier has **just 90 days** from the date that you have knowledge of an injury to make a determination whether it should accept the claim and pay benefits. If liability is not rejected within 90 days after an employer's knowledge of an injury, the injury shall be deemed to be compensable.

The **DWC-1 form** must be given to the employee **within one (1) working day** after you become aware of a possible work-related injury.

Step 3



Send your employee to a pre-approved industrial medical clinic or their HMO

Notify the clinic and treating doctor that you have modified and alternate work available and provide a job description for the injured employee.

You have the right to control and direct medical care for the first 30 days. You can be confident that your employees will receive necessary and appropriate medical care for their work-related injuries at a fair and reasonable cost.

The mission of an approved medical panel is to reduce your financial exposure through timely coordination of quality medical treatment, early intervention to reduce lost time, convenient locations, reasonable costs and demonstration of an early return-to-work philosophy.

What are the benefits of using an approved industrial clinic?

- Lower treatment costs
- Doctors can implement early return to work processes
- Maintain 30-day medical control
- Easier access to care
- Proper compliance with state reporting requirements
- Better continuity of care

Step 4



Return to Work

One major cost-saving measure you can implement is an early Return to Work Program. This is accomplished by the following steps:

- In writing, inform the medical clinic that you have modified / alternate work for your employees, and include examples of the modified and alternate positions you have available
- Obtain a documented medical release from the treating doctor with specific work restrictions
- Create a Return to Work vs. Disability culture
- Ensure that the modified / alternate job is well within prescribed medical work restrictions
- Assign someone to be your formal Return to Work Coordinator
- Inform employees of your Return to Work expectations should they be injured

What are the financial benefits of implementing an early Return to Work Program?

- Possibly lower insurance premiums
- Lower experience modification
- Lower reserves on claims
- Premium rebates
- Reduced medical costs

If you would like information about how to develop a formal, customized Return to Work Program, please contact your insurance agent at Cavignac & Associates.

Step 5



Send a get-well card and stay in touch with your employee

Injured employees are often confused about the workers compensation process. They don't understand the benefits and they may even feel that their jobs are in jeopardy.

It is imperative that you contact injured employees at least every 2 weeks, explain their benefits, and address any questions or concerns they may have. Please use the Return to Work checklist provided.