OSC|10
Ohio Safety Congress & Expo

ABC's of self-insured claims, audits and complaints

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Wednesday, March 31, 2010 9:15 to 10:15 a.m.

Basic requirements

- Renew self-insurance annually.
- File *Report of Paid Compensation and Statistical Information* (SI-40) by Feb. 28 annually.
- Mandatory postings
  - Copy of certificate of coverage
  - Notice to employees
  - Rebuttable presumption

Why am I being audited?

- 4123.35 Ohio Revised Code (ORC) and 4123-19-03 Ohio Administrative Code (OAC) give BWC the authority to audit self-insuring employers.
- They establish the minimum requirements for administering your self-insured program.
- BWC audits for compliance and to make sure injured workers receive benefits equal to or better than those provided by the Ohio State Insurance Fund.

Preparing for an audit

- Review your claims within the audit period.
- Organize files and make them complete.
- Have a list of your claims.
- Know the requirements.

  4123.35 and 4123.56 ORC

  4123-19-03 and 4125-1-01 OAC

  4123-7 OAC

Types of self-insured audits

Four types

1. **Administrative program review**
   - New self-insuring employers (six months to 1 year)
   - Review a claim sample
   - Exit conference
   - No report, only internal memorandum

Types of self-insured audits

2. **Compliance audit**
   - Frequency based on prior audit findings.
   - Interview the self-insured administrator.
     - Notify injured worker on claim status and contacts
     - Third-party administrator involvement, if applicable
     - Medical documentation to support disability
     - Wage loss — job offers
     - Sickness and accident benefits
   - Review Occupational Safety and Health Administration logs .
   - Review claim files (paper or electronic).

Types of self-insured audits

3. Paid compensation audits

- ORC 4123.35 (M)
- Impacts self-insured assessments and the letter of credit
- Review claim files and report to support the SI-40.

  (Can include *Request for Temporary Total Compensation* (C-84), hearing orders, etc.)
- Review medical dollars reported.

Types of self-insured audits

4. Final audit

- Employers that continue to pay claims
- Verify contact information for BWC and injured workers
- Verify claims housing
- Audit claims and SI-40

Audit findings and follow up

- Audits findings: Follow up is based on finding.
  1. Excellent
  2. Satisfactory level 1 - 2
  3. Satisfactory level 3
  4. Not in compliance (within one year)
  5. Paid compensation is conducted along with the compliance audit
- BWC issues a written audit report.
- You have the right to appeal the report.

Self-insured auditor

- Manages a list of self-insuring employers
- Ongoing training in BWC claims law, policy
- Audit manual — Standard guidelines for audits
- Responsible for alternate housing requests
- Conduct training classes — reorientation

Self-insured complaints

- Self-insured department investigates and resolves allegations of improper claims administration filed against self-insuring employers. 4123-19-09 OAC.

Complaint procedures

- Written inquiries or complaints will be forwarded to the employer, along with a request for a written response within 14 days of receipt.
- *Filing of an Allegation Against a Self-Insured Employer* (SI -28) is on BWC's Web site, print and mail.
- When the investigation is complete, documentation of the complaint disposition will be generated such as valid, invalid, valid unresolved complaint or dismissed (matters for hearing).

Appeals

- A written appeal must be submitted to BWC within 14 days of receipt of the finding.
- Administrator's designee reviews the appeal.
- Either party can appeal this decision, within 14 days and request the matter be referred to the Self-Insuring Employer Evaluation Board (SIEEB).

Appeals

- BWC automatically transfers complaints that are not resolved to the SIEEB.
- SIEEB has discretion to issue a finding without a hearing or hold a formal/informal hearing.
- Appeals to the SIEEB are the final administrative appeal. Parties can file a mandamus action in court.
- All valid complaints are reviewed annually when the employer renews its coverage.

Complaint trends

- The self-insured department receives on average 400 complaints yearly.
- Common complaints include:
  - Termination of temporary total compensation without a hearing;
  - Late payment of medical bills beyond 30 days;
  - Late payment of benefits after a hearing order.

BWC Resources

- Ohiobwc.com
- *Procedural Guide to Self-Insured Claims Administration*
- Division of Safety & Hygiene training
- BWC fraud department
- BWC library

ABCs of self-insured audits and complaints

Thank you for participating in BWC's 2010 Safety Congress & Expo!