

Employer's Best Practices for Handling Workers' Compensation Claims

Created for you by:



VACORP

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Employer's Best Practices for Handling Workers' Compensation Claims

The following are several of the “best practices” implemented by VACORP members to ensure that workers’ compensation (WC) claims are handled smoothly and efficiently. Members with smooth running claims find that there are four “players” in the claim handling process that must work together to obtain the best outcomes. These are the injured employee, the employer, the medical provider, and the Claims Specialist/Associate. Other areas of an efficiently processed claim are detailed below.

Safety

The first thing a member can do is implement sound safety policies and procedures, which are shown to reduce injuries and workers’ compensation claims. There is a high correlation between members with good safety programs and efficient claims handling. Contact your VACORP Risk Control specialist for more information: <http://www.vacorp.org/risk-control-team/>

Reporting Workers' Compensation Claims

The time between an injury taking place and the claim being reported to VACORP is referred to as lag time. Our data shows that claims with greater lag time are typically more costly than similar claims reported promptly. One of the best ways to ensure injuries are reported promptly is to use the VACORP-provided Company Nurse Program. When an employee is injured, they are instructed to immediately call the 24/7 toll free number for Company Nurse. By doing this, your employee will receive medical advice from a trained professional and be referred to the appropriate level of care: on-site first aid, **Panel Physician** office visit, or an emergency room visit. There are many additional benefits that can be explained to you by our Cost Containment department. Contact Scott Neal at sneal@riskprograms.com for more information.

Panel of Physicians

Having a Panel of Physicians is advantageous for controlling workers’ compensation costs. The Workers’ Compensation Act allows employers to establish a minimum of three different doctors to serve on a panel that injured employees choose from for treatment, unless emergency care is required. Specialists can, and should be, added to your panel. Doctors that are not providing good service should be removed from your panel. For assistance in establishing or modifying your panel, contact Scott Neal in our Cost Containment department.



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Once your panel is established, find out who is in charge of billing in their offices. Initiating a working relationship with your panel providers starts with visiting them and obtaining their appropriate contact information such as a name, phone number and/or email address. Establishing this working relationship will help with having billing for your injured workers set up correctly and bills being paid promptly.

VACORP Claim Set Up

After VACORP receives a claim submittal or incident report from Company Nurse, we set up the claim in the database and send you an email confirmation indicating the type of claim, claim number, and name of the staff member responsible for monitoring the claim's activity.

It is good practice to forward this claim confirmation email to the injured employee and their supervisor. This gives you the opportunity to include internal instructions for your employee to follow such as contacting you after each doctor visit or touching base with you or their supervisor once a week until treatment has stopped.

It is also a good idea to forward the claim confirmation email to your contact at the doctor's office in which your employee is treating. Having the claim number and billing address is a big bonus to them, as it allows for billing to be set up correctly. When forwarding this confirmation email, please include the following in your cover note: *"HCFA form and physician's notes must be included with the invoice for it to be paid by VACORP. This is required by the Worker's Compensation Act."* Encourage the billing contact to share the claim number and VACORP's address with any doctor they refer the employee for further treatment. In addition, the Workers' Compensation Act (65.2-601.1) requires that providers refrain from all debt collection activities for medical treatment related to a WC claim.

Communicate with VACORP

Let the VACORP Claims Specialist/Associate know if the employee has missed any time from work, especially if it exceeds the 7 day period. Once the employee has been out for 7 days, the claim needs to be reported as lost time so VACORP can begin to review the need for monetary compensation for missing time from work.

Encourage the employee to contact VACORP if they have questions about their claim.



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Record Keeping

We recommend that members keep a diary on open WC claims and check the status of claims on a weekly basis. You may review claim details using the Claim Viewer Access Portal on the VACORP website, www.vacorp.org. Checking in with supervisors weekly will help to hold them accountable. The injured employee is still a staff member of that supervisor and they should continue to supervise the employee when they are out of work due to a workplace injury.

Here are some suggestions on what types of information to keep on your workers compensation claims.

Hold on to Company Nurse reports, VACORP claim confirmation emails, documents from the Virginia Workers' Compensation Commission (VWCC), wage charts, and return-to-work notes. You do not need to keep medical bills.

Return to Work

Studies show the faster an injured worker gets back to their position, or a limited alternative, the lower the cost of the claim. However, many of our members report to us that their supervisors and managers tell them there are no light-duty positions available.

First, stop referring to it as "light duty." It is temporary alternative duty (TAD). One of the best ways to identify opportunities for TAD is to ask supervisors and managers where they need help. Have positions been cut or projects put on hold? In most departments, budgets have been cut and help would be appreciated. Send an email to managers and supervisors and ask them where they need support. In doing so, be sure to ask what skills the position requires. Driving? Computer skills?

Sitting? Standing? Special skills? You may then use the response to complete an inventory of physical and analytical skill requirements for future use.

Medical Bills

We realize employees receiving statements from medical providers can be very frustrating for the employee and you. It is important to realize the following concerning the payment of medical bills:

Providers know they need to send HCFA form with corresponding medical notes in order to have bills processed for payment. To reduce time associated with this, it is important for the



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provider to know the injury is related to a workers' compensation claim and where to send the bill.

The Prompt Pay Act dictates VACORP pay medical bills within 60 days of receiving all necessary documentation.

A medical bill (HCFA or UB) and the corresponding medical notes are required in order to review the bill for payment.

Provider statements do not include the information required for payment processing. When a statement is received by VACORP, bill payment is delayed because we must contact the providers to get the required documentation.

If bills are received while a claim is being reviewed for compensability, the bills are denied until compensability is determined. This is because the Prompt Pay Act dictates that VACORP pay *accepted* bills within 45 days. VACORP cannot pay bills that are not associated with compensable claims.

To help reduce the time needed for claim review, please instruct your employees to return calls and emails to VACORP as soon as possible so all necessary facts may be gathered to process the claim.

For assistance on any claim, please call VACORP at 888-822-6772.